

Diana Matthews interviewing Mr. Tom Derreck at the Town Hall, Fort Erie. May 2nd, 1985.

D.M: Hi Tom.

T.D: Hello, how are you.

D.M: How long have you lived in Fort Erie?

T.D: I've lived here just about two years.

D.M: Did you move here because of a job?

T.D: Yes.

D.M: Tell me about your job, what do you do?

T.D: Well, actually the job combines two former positions. Before I arrived in Fort Erie, the Town had an Administrator and a separate Municipal Clerk, which prior to my arrival, the Council had elected to combine those two positions, so I serve them both in combination now. Essentially, from the Clerk standpoint, I have delegated a good deal of those responsibilities to my Deputy Clerk, yet I retain control over our involvement in only those areas that I think have an impact on the corporation as a whole. For example, I am preparing for and operating the election, and were I to be staying, I would be managing that personally. Very often, the preparation of specific by-laws, the preparation of Council's rules and procedures is something, as Clerk, I do personally. But as I have said, I've delegated a great deal of these responsibilities to the Deputy Clerk, and she's been here for quite a few years. Going to the administrative side of my position, I have spent most of my time dealing with the labour relations situation in this community. When I first arrived, the labour relations were in a very poor state, that is the relationship between the C.U.P.E. local, which represents about 65 of our 85 employees, and the management of the municipality. Aside from labour relations, I've been involved in negotiations with the Canadian Niagara Power Corporation, which is just wrapping up now to renew a 50 year agreement for the provision of of hydro and electric power to our community. I spent a good deal of time helping our Treasurer to develop a little more businesslike, a little more sophisticated attitude in terms of management. Current budget preparations, the monitoring of capital budgeting, which is long-term financial planning for the municipality. That's taken up a good deal of time, as it does every year. And I've also spent a good deal of my time

attempting to create a corporate approach to the Corporation's difficulties, and even those issues that aren't difficult, it's just to develop an attitude of corporate thinking among the various departments. In this line of work, and indeed it may be in any organization that has separate departments, there is a tendency for those departments to have a very narrow view of the corporation as a whole. In other words, they have missed their immediate responsibilities, almost in isolation, or with very little consideration of what impact their activities may have upon other departments or organizations. Through the institution of weekly department head meetings, I have attempted to pull the department heads together to have us all in the same room to discuss difficulties or situations that appear on a daily basis in the various departments, and to involve the department heads in discussion. Like for example, if there's a difficulty in Treasury, and I feel it will assist the engineer, and assist the recreation director, I give them permission to become involved in the conversations about whatever their difficulty might be, and offer their suggestions and fresh points of view as to how it might be addressed.

D.M: Why were the two jobs incorporated, the Clerk and the Administrator?

T.D: I really don't know. I have to presume that the decision to do that was based on the Town's experience with my predecessor, and I don't mean that in a personal sense. They must have taken a look at the situation... I think it was about 5 years that my predecessor was on the job.

D.M: Which one, the Clerk or the Administrator?

T.D: The Administrator. The former Clerk had been with the Town for many many years.

D.M: He retired, didn't he?

T.D: He retired, yes that's right. So, I'm just guessing. They must have taken a look at the situation and decided they didn't need those two positions occupied separately.

D.M: What type of shape is the Town in financially, is it good or bad and do you feel you have improved it since you arrived here?

T.D: Well, that's a question that might be answered differently by each person you asked. The Town's financial position is not critical. However, I have been maintaining to the Council since very shortly after my arrival, but I have a concern about the lack of reserves that the Town of Fort Erie experiences. Also that our borrowing power, that

is to say, the limit of borrowing we can reach with the approval of the Ontario Municipal Board, is pretty severely confined. We have a number of debts at the present time. The debt load is something above average, I would say. Our debt costs per year are, again, something above average, but I don't believe any municipality should go to the limit of their borrowing capability. In fact, I think they should stay well below it if they can. The difficulty for our Council, I think, is that each Council, let's say, inherits a certain number of problems. Whatever has been done before them, they can't undo, but very often, there are a number of difficulties that remain from previous Council's, which new Council's, when they are elected, don't know they are there, and they are confronted with them, and they sit down for the first time in the chambers and take a look at the budget and they cannot simply arbitrarily decide that something that was begun by a previous Council-we're not going to go along with that, and chop it off. In other words, there are pressures that have an effect on the approach to financial planning and financial decision making which new Council members probably don't expect, but they have to deal with. So, coming back to your question about the Town's financial position, I would like to see the reserves built up. I would like to see the Council institute a 5 year financial plan. I think that's one of the major faults that I have found with the corporation's financial activities, is that we don't have a 5 year financial plan.

D.M: What type of plan do we have?

T.D: We have what's called a 5 year Capital Works Forecast, and that's a deceptive term. A works forecast only deals with those programs involving the Public Works Departments. That is street repairs, construction, projected sewer installation, water line installations and so on. But a 5 year Capital Works Forecast, which is prepared every year by the way, is done for the purpose of submitting it to the Provincial Ministerial Authorities, and it's used to calculate the subsidies which we will receive from the province for whatever works we are involved in, or are now contemplating. What the program does not take into consideration is that every department is going to have certain needs, say in the next 5 years, and a prime example is the Fire Department. If a fire pumper, for example, goes out of service or has reached the end of it's useful life, to purchase

another fire pumper, we're talking in the area of 85 thousand dollars, and to attempt to finance an 85 thousand dollar expenditure in one year, in one current tax year, is a very very onerous thing to do. And of course the way you would normally deal with something like that, is you plan it out. When I am talking about a 5 year Capital Financial Plan, I'm talking about every department being charged with sitting down, taking a look over the next 5 years and recognizing a certain amount that's going to be guesswork, but that's what planning essentially is all about, it's informed guesswork. Each department would project what equipment they are going to need, what services they feel they are going to require, and attempt to determine what year in the next five they're going to require that service or equipment, and from these projections, the Council would sit down and plan a capital budget. So for example, if the fire pumper was recognized by the Fire Department as requiring replacement in 3 years, and the projected cost was 90 thousand dollars, then the Council, in each current tax year up to that 3 year period, would be able to, from their current taxes, allocate 30 thousand dollars per year to a reserve so that when the third year rolls around, the money is there to do the job. The first year that I was here, I was involved in a budgeting. I tabled a 5 year capital projection, a comprehensive projection, that is involving all the departments, with the Council, and it was the first stab at it, as far as I know. It didn't receive a great deal of attention. That was expected. Putting together a 5 year capital program is a difficult thing to do, and it requires a set of procedures which in the past, and I can only say I'm guessing, it just wasn't here, wasn't present. Now this year, a formal capital budget program again was not on the table, but I have advocated it each year I have been here, to the Council. Were I to stay, I would keep advocating it, in fact, in 1985, in the course of the year leading up to the 1986 budget, I would be pushing it very hard with the department heads and with my approaches to Council to get an early start to a Capital Budget Program for 1986 and 5 years thereafter. So, that's a major fault that we have in Fort Erie, is that we don't have long term financial planning. We don't really have a handle on a cash budgeting program, that is to say, what uses are we going to make of cash that is incoming to the municipality? When we collect

taxes on an interm tax installment time, what happens to that money? How much of it has to be spent to take care of current operations and current purchases, how much have we got left over that we can invest in short-term investments and make interest and so on. I'm certain that the Treasury Department is doing something along those lines. However, if they are, it's not generally known. I'm certain the Council has no idea whatsoever about how our cash is managed, and whether or not the management is effective and if we are getting the highest investors out of our available cash resources and so on. So, generally speaking, I don't think that we're in bad shape in relation to most other municipalities, but rather than simply being comparative to others, I'd like to see the municipality be better.

D.M: Do you think Regional Government coming to Fort Erie in 1970 helped?

T.D: Well, of course I wasn't here in 1970, so I can only give you my observations in retrospect. I think that it helped. If you take a look at the Provincial Government's whole purpose in creating Regional Government, and I don't profess to be an expert on the subject, but I would liken Regional Government in Niagara to the county system, which operated previously and which still operates, by the way, in western Ontario in some areas. Basically, a county or region is created to provide and pay for services which go beyond the boundaries of the area of the municipality. By area of municipality, I'm talking about a town like Fort Erie or a city like Niagara Falls. There are distances in between those municipalities that require roads and they require various other services. Police service, for example, is now in Niagara Regional hands, and again, not being totally familiar with all the reasoning behind the creation of the Regional Niagara, I am guessing that the county system wasn't working because there were just too many counties, and even between counties there were, and there are, as I said, in western Ontario, roads that run between various counties, and there are sometimes misunderstandings about where one county's border stops and the next one begins, and who is responsible for maintaining what and so on. So, I gather the province was simply trying to, through the creation of the Region, create a two tiered system of government that was much more effective than the old county and municipal system. The only problem I see with the Regional system is that... now, let me use an example. Probably, like you

some months ago, I read about the Regional Government agreeing to the provision of furniture in... I think it was the Regional Police Chief's office, and they were talking in terms of 16 thousand dollars. Now I'm giving you my personal opinion. I have a real problem with any government official, especially a non-elective official, spending 16 thousand dollars on office furniture. Now using that example, and a few others that I could bring up, but I won't bother bringing up the specifics, I think that... I have a real problem with understanding the priority system and understanding the attitude towards spending that I think I see at the Regional Government level. When municipalities like the Town of Fort Erie are striving to present our local residents with a tax increase of 3.2% which it is this year, generally speaking on the general level, and we watch the Regional Government come up with increases which I understand, this year, are quite in excess of what we are doing, and you take a look at some of the spending that's going on at the Regional level, and the projects that are being considered for financing by the Regional Government, I don't think that that's proper. And of course the Regional Government is separate from the electorate, at least the members are not directly elected to Regional Council, the chairman is not elected directly to his chairmanship, rather the area municipalities provide the members of Regional Council by, I believe, primarily the heads of Council who are elected at the local level. For example, in Fort Erie here, our mayor is a member of the Regional Council. So I think it would be much more effective if there were direct elections to the Regional Council. It would be better accountability to remove from the electorate, and there certainly aren't the kinds of active controls or pressures and influences that, for example, our Council is subjected to.

D.M: Can you tell me what your relationship is with the members of the Council?

T.D: Okay, I have two relationships. One is with Council, the other is with the appointed staff of the Administration as I call it. The Council as a body, I am responsible to Council. I am appointed by Council, I can be fired by Council, I report to Council. Are you asking me about my relationship on a day to day basis kind of thing?

D.M: No, operational.

T.D: Well, I... let's see, theoretically, the Administrators job is to oversee the Administration, and I'm talking now about the appointed departments...

department heads rather, and the staff. I say theoretically... theoretically I have the authority to insure that working policies that are established by Council are followed through and adhered to by the staff. Theoretically, I have the authority to hire and fire the staff up to certain limits. For example, with department heads... by the way, I want to emphasize that I preferred this when I first came, not to have specific authority to fire department heads, but rather to recommend their dismissal if I thought it was warranted, or discipline or whatever. Theoretically my job is, as Administrator, is to recommend to the Council on virtually any aspect of the administration which I feel could be improved or to implement programs or structures, operations that we don't have just now that I think we should have, and do that by way of written report or with recommendations. The reason I used the term theoretically is because while... to a great extent, that's the way it works. Now, there is always the element of personal politics, and there's the element of plain old politics that enters into the picture and has to be taken into consideration. Especially in small municipal settings. I recall when I first became the Municipal Administrator, that was back in 1974, and I was handed a job description, and the job description said in essence, you're the boss and what you say goes amongst the staff, and I took it literally. I waded into the situation and I tried to be careful mind you, but the municipality that I worked for was not too sophisticated in its organization, and it had its methods of doing things that were traditional and not necessarily based on good business decisions, and I rolled up my sleeves and went to work and began to change this and change that and before long I ran into what I would term personal reaction. I discovered and learned a very valuable lesson that in a municipal setting, while the boss may be the boss at the administrative level, staff members have influence, that is to say... especially long-term. People with 20-25 years of service in the municipality can sometimes become... take quite an exception to change. Very often they can feel threatened by it or they can view a new change in their methods as a commentary on what they have been doing and so on. And if they have been around for a long time, invariably they know people on Council and are friendly with them. You may be able to understand what I am getting at, is that personal influence is becoming intertwined with, in the course of making, what should

be business decisions. And politics gets involved and so the waters get a bit muddy and often the old adage that the shortest distance between two points- your start point and your objective, is a straight line. In the municipal operation, is is very often that straight line comes back and curves and goes up and down and around to deal with the personal situations that one runs into. That applies to just about everything that happens in the Administration. Not just with staff members or dealing with the public. The Administrator or any department head or appointed official always has to be aware that while the rules may say you do it 1,2,3, you've always got to make certain that while you can't abandon the rules, you have to apply them with a good deal of common sense judgement in terms of dealing with the people.

D.M: What do you think of the current municipal system, do you think it works well?

T.D: In Fort Erie?

D.M: Yes.

T.D: Well, that's a difficult one to answer. The system works. We manage to get through day by day, year by year, but I understand that for years before my coming, the municipality was seriously understaffed. Attempts have been made in various ways to encourage successive Council's to increase the staff compliment. Since my arrival here in 1983... In fact, I did an exhaustive study, principally dealing with salary and wage levels and the administration, and in the course of that, took a look at comparable municipalities in terms of their compliment of staff. And to throw a statistic at you, the Town of Fort Erie came up approximately 33% below what it ought to be in terms of the number of staff that we should have to do the job as required in a municipality of this size. Now indeed the Council made some additions to the Engineering Department staff in 1983, but there are other areas of our organization which also need more people. For example, we don't have a Planning Department. Our Commissioner of Building and Planning is naturally a gentleman whose education and training are as a chief building and plumbing official with no planning credentials in the formal sense, but he's been charged with actually co-ordinating and supervising the planning activities of the corporation, with the assistance of a planning consultant we retain on the outside, and I must say he's done an admirable job.

But a town of this size needs a proper Planning Department with a person in that department with formal credentials and training and so on in that discipline. I submitted a report to Council early in 1984 recommending the creation of a Planning Department, the hiring of a planner and so on. That report was not adopted. So what do I think about how the Administration works? I think under the circumstances, it works very well, but I have to underline under the circumstances. There's not enough time available in a day to slow the system down to the point where you can do any planning. To plan an operation takes unusual exertions, it usually requires after hours work in order to be able to do it and so on, and even then, there's only so much you can do in a 24 hour day. The Town, apparently for some time, has operated on a crisis management basis. I'd say it's primarily because of the fact that we just don't have enough staff to spread around to do all the jobs that we should do, in a normal fashion. So, I think it's a crisis management organization, and because of that, based again primarily on the lack of staff, lack of properly trained staff in some instances, and a tradition within this municipality apparently, of avoiding the addition of new staff at all costs, because it's not publicly... it's just not a popular concept, I think that there are organizational deficiencies. I try to encourage Council to adopt a formal salary administration program. For example, salaries in the Town of Fort Erie are far below what they ought to be, and in private discussions with the Council as a group, and with individuals, not only myself but other appointed staff members, I've said to them-here's the statistics to show you what our counterparts make elsewhere. Although I could recommend to Council that one year decide that we're going to be a parody with, say, an average of municipalities of our size. There should be a competitive salary structure. I think the Town is in the position where, before too long, it could begin to lose good people, well qualified capable individuals, because they were attracted away by better circumstances of remuneration and reward for services that they did. And even within our own structure, forgetting about outside, within our own structure, the salary arrangements, the remuneration arrangements, are not equitable from one employee to the other. They are out of balance. So, if I were staying, I would... in fact I am, today as we talk... I interrupted a report that I am

doing to the Council in another attempt to encourage it to adopt a formal salary administration program which will provide not a leading set of salaries, in fact, some would be below average by a certain amount, but more importantly, they would line up our positions with the Town properly, in terms of rank, and I think that's an important element that needs correction in our municipality.

D.M: Where are you in the rank of the Council?

T.D: The Council, as a body, is above me. Immediately below them is myself, below myself are all the various department heads, and below them are all the departments and their staff.

D.M: Why are you leaving your job, have you found another job elsewhere?

T.D: Well, the simple answer is yes, I've found another job elsewhere. I'm leaving the Town of Fort Erie because I feel that accepting a position in St. Catharines is a good career move for me, and basically that's about it.

D.M: Why do you think Fort Erie isn't more of a productive, industrial town, considering it's location, shouldn't it be a booming place like Niagara Falls?

T.D: Yes, I understand the question. When I came to Fort Erie, of course I read all the material I could before I came, and constantly thrust at me as I read brochures and so on, was the fact that it was the principal gateway to Canada, for example, for car imports and exports, and with the brokerage houses that operate in Fort Erie, I expected to come down and find a booming industrial community, But, there are factors that do affect the lack of industry in Fort Erie. For example, Fort Erie as I understand it, essentially began as a bedroom community largely owned by American citizens, and that it was used more as a holiday community and so on. There are not only the American visitors and property owners I might say, but there is, I understand, a good segment of born and bred Fort Erians who simply don't want the character of the municipality to change. It may take a generation or two before that will change, in fact, I suppose it's beginning to change now. It has to be considered also that the Town of Fort Erie is at the tail end of the golden horseshoe and is in direct competition with places like St. Catharines, Niagara Falls and even as far away as Toronto for that matter. The proximity of Toronto to American Markets with its airport and all the rest of it is really quite a competitive factor. So, I think the Town is

going in the right direction with the appointment of the Economic Development officer, with closely zoned between the Town and the Chamber of Commerce, and I act as a member of the chamber directorate as an executive, and from what I've seen, the chamber is developing a very active and progressive attitude towards not just attracting industry, but going out and finding it, and once they've found it, getting right in the middle of the squabble with the competition and try to get them down.

D.M: What happens if somebody does come down here and want to start some type of industry, do we have the facilities available for them?

T.D: Well, the municipality has an industrial park. There aren't too many serviced lots left, but there are... it has an industrial park and it markets them through the Chamber of Commerce to the Economic Development Officer. But aside from dealing with municipally owned property, and of course you are probably aware that the Town has recently bought approximately 50 acres of land out off the end of Gilmore Road, and that will be developed eventually. The plan for it's development isn't produced just yet, but we have the raw land there. Aside from marketing municipally owned land, our Chamber of Commerce, particularly the E.D.O. will devote her efforts equally to marketing privately owned industrial land. So, in terms of land, my understanding is that we have it here. That's not a problem. A service land plan is a bit of a problem, of course that's why you are now seeing the Town making gigantic efforts to get a sewer out Gilmore Road to open up a great amount of acreage out that way, with the terms being the 54 acre parcel I just referred to a few minutes ago that the Town bought. What happens when industry becomes available... it could take many different routes. For example, some agents representing industries or businesses sometimes turn up here at the Town Hall, they don't know where to go. I recall a chap in England who was representing an industrialist who produced various types of machinery and he somehow ended up in the Treasurer's office one day not knowing what to do, so I went over there and met him and I brought him over to see the mayor, and there we got him together with the Economic Development Officer. That's the person we try to put everyone through. Mrs. Fran Brown has the facilities and the contacts and the experience to receive and properly deal with agents or business people.

D.M: Thank-you very much for the interview Tom.

T.D: You are most welcome, I have enjoyed it.