

**CITY COUNCIL STANDING COMMITTEE**

**Budget and Finance**

**Thursday, January 28, 2010 – 6:30 p.m.**

**City Council Conference Room – 1<sup>st</sup> Floor**

**Present: Chair, Councilor Steven Curcuru, Vice Chair, Paul McGeary, Councilor Jacqueline Hardy**

**Absent: None.**

**Also Present: Councilor Joseph Ciolino, Barry Boyce, Jeff Towne, David Anderson; June Steel**

**The meeting was called to order at 6:31 p.m.**

**(Items were taken out of order.)**

**1. CC2010-001 (Tobey/Ciolino) Order that City Council Continue to Consider**

**Becoming a Member of the Essex North Shore Agricultural & Technical School**

**District (Continued from 01/14/2010)**

**Councilor Curcuru** asked the Committee if it was its will of the committee to continue this matter.

**Councilor Hardy** responded that Councilor Tobey and Ciolino filed an order that we keep this matter on both the Ordinances and Administration and Budget and Finance agendas so that we maintain continuity with it. At the last City Council meeting we voted to put this matter to a vote on March 16<sup>th</sup>. In the meantime, Councilor Tobey also asked the school administration for a copy of a business plan. Superintendent Farmer is working on that now. That information will be coming to O&A & to B&F helping each to vote out of both Committees to make a recommendation to the City Council so as to make informed vote at the March 16<sup>th</sup> City Council Meeting.

**Councilor Curcuru** said the Committee anticipates getting this report by the March 11<sup>th</sup> meeting of B&F. He wondered if the Superintendent might come before B&F or if he might attend the City Council meeting of the 16<sup>th</sup>.

**Councilor Hardy** suggested a joint meeting of B&F and O&A and have Superintendent Farmer there so that he might review the business plan.

The Committee decided to continue the matter under unfinished business.

## **2. Report from City Auditor's Office re: Accounts Having Expenditures Which Exceed Their Appropriations**

**Barry Boyce, Acting City Auditor** presented the Committee with his report. He noted that as soon as these items on the report (on file) are brought to the Auditor's attention they are dealt with even before the report comes to B&F. Emails are sent to department heads, etc.

**Councilor Curcuru** asked about the fire department line item and if they were out of overtime money at this point.

**Mr. Boyce** responded that this is an alert so that they figure by the end of the year they'll remain in the black. This is one account that's in the red. If you project forward, the accounts that are keeping it in the black by the end of the year they'll spend more than that.

**Councilor Curcuru** stated they knew they were going to run out of money, being a foregone conclusion.

**Mr. Towne** said the Acting Auditor (Boyce) is at a disadvantage because of the City Council vote coming up on February 2<sup>nd</sup> on the Water Boil Order Emergency. Some of these expenses are going to be moved out of the deficit report and into the Water Fund as a result of that vote. It's about \$14,000.00 or \$15,000.00.

**Councilor Hardy** said we accepted \$388,125.00 grant at the end of last Council, in December of 2009.

**Mr. Towne** said that it is just starting and will also fund a great deal of this overtime. Jim Duggan, CAO and Chief Dench have been looking at that for funding for one full time position and spoke to this when it was accepted. That money just started to be approved January 10<sup>th</sup>, and then there are 12 months to spend it once received.

**Councilor Curcuru** noted that this is going to be used over two fiscal years.

**Mr. Towne** replied that yes, it is two fiscal years - one 12 month period.

**Councilor Hardy** said the draw down was on January 10<sup>th</sup>. Representing and living in Ward 4, she noted that the Bay View Fire Station was closed, again, that day. If this \$388,125.00 was available from January 10<sup>th</sup>, why is Bay View closed?

**Mr. Towne** was unable to speak to the closure of the fire station. He noted this grant wasn't necessarily to open all the stations back up again. It was going to provide for basic overtime services and additionally open the station(s) when they had the staff. His understanding was that the station(s) would open when they had the staff. If they had 18 fire fighters for a duty shift, then they would open a station. It is still on the priority listing from before. But the \$388,125.00 wasn't going to be completely used to open the stations over a 12 month period.

**Councilor Hardy** said her understanding was the Fire Department was going to hire a fire fighter/paramedic and to be used to keep the stations open. The motion passed by B&F the City Council and the grant states it clearly.

**Mr. Towne** said they are trying to spread overtime out to the maximum, bringing it back to min of 14 and whatever they can do above and beyond it, they want to guarantee minimum of contract and any time there are more staff members then it opens. At a manning of a duty shift of 14 fire fighters, they aren't able to open the outlying stations.

**Councilor Hardy** said that is not what was agreed to in the motion.

**Mr. Towne** said he will get further clarification for the Committee.

**Councilor Curcuru** said he recalled it would be spent over two years and supplement shortages in over time. They were going to increase the budget for over time next year.

**Mr. Towne** said that was part of the discussion as well. They were going to add to the \$600,000.00 to the \$200,000.00 at last City Council meeting of 2009. That would keep all stations open and manned at 18. We only have \$200,000.00, and we only got half of the grant. So he wondered if that's where the confusion is coming from.

**Councilor Curcuru** asked what the salary is for paramedic and they are being hired for the remainder of this year and next year.

**Mr. Towne** said yes; the budget is \$70,000.00 – a full paramedic/fire fighter for a full year.

**Councilor Curcuru** said then this is a part of it.

**Mr. Towne** noted there is a detailed plan for what the funds will be spent on. It was based on a certain number of shifts per month. They are trying to make sure that the minimum of the contract has to be met. That is a good discussion to have.

**Councilors Curcuru and Hardy** agreed that this general discussion on Fire Department review of the grant monies approved by the City Council in December of 2009 should be continued to the next meeting of B&F on February 10, 2010.

**Mr. Towne** said they will give them the breakdown and email it to B&F.

**Councilor Hardy** said she would like a copy of the grant and the certificate of vote.

**Councilor Curcuru** noted the deficit shown on Mr. Boyce's report in Snow and Ice.

**Mr. Boyce** said there are several small accounts that offset this; and there is nothing significant yet, but you're still in the hole by that much. The second page shows some that is taken care of which reflects the 'aging' details of the accounts from past meetings.

**Councilor Hardy** noted that particular spread sheet was something she had requested during the last City Council so that they could see that it is progressing and that it is dropping off, and see how long things were hanging on and not being paid attention to. It has been a useful tool.

**Councilor McGeary** the school athletics that shows it is in the hole is remedied because it's off the list or does it mean that it's still there from September...

**Mr. Boyce** said there are a number of things that offset it; it was funded out of the rink.

**Councilor McGeary** then clarified that if something is 'in the hole' it would stay on for historical purposes; it won't be on the cover sheet. This spread sheet shows how it got there.

**Councilor Hardy** said historically if we want to see if there is a department that is habitually getting into deficit situations so that we can inquire as to why is it happening with some frequency.

**Mr. Towne** said these are not funds that are in deficit. That's a whole other issue. These are operational budget line items that are in deficit that have had money appropriated for them and have gone over it. Most departments are required to find it within their own departments. If they don't find it in their own department, they must come to the Treasurer to work to find it within someone else's budget.

### **3. Other Business**

#### **A) Ordinances and Administration Budget Statements by the Administration**

**Councilor Hardy** said she happened to attend the O&A meeting on Monday, January 25<sup>th</sup> where Mr. Duggan made a statement to the Chair of O&A who was looking for some budget information and said that he would have the City's budget at the first meeting of the City Council in May which is May 11<sup>th</sup>. Don't we have 45 days from the submission to finalize it. 45 days from when - from the day the City Clerk stamps it in as being received or is it from the day the City Council opens the meeting on it.

**Mr. Towne** said it is his understanding that it's from when the Mayor presents it to the Council at the meeting. He said Mr. Duggan said he will get the budget to them by the end of April. The Storm Water Fund is the problem. The discussion should take place as soon as the books are closed on the month would be a good time. We all need to talk about the subject of the financial status of the City all the time. It should be done as soon as the books are closed at the end of March and the end of June – on a quarterly basis.

**Councilor Curcuru** said we won't be facing the cuts as hard as last year. The City will still lose out on the Quinn bill. The Governor said he was going to tap the State's stabilization fund. He discussed with the Committee and Mr. Towne some of the issues on the State level.

**Mr. Towne** said the City's financial picture should be looked at this quarterly, and it doesn't have to be done immediately following the closing of that particular quarter. But it should be done to point out potential revenue deficits, point out appropriations that are in trouble, projections, etc. He assured the Committee that the deficit discussion is being done weekly and the B&F Committee should be fully informed on these discussions as well as any long term borrowing issues, etc.

**Councilor Curcuru** said the issues that are being discussed at these meetings weekly, some of these issues are quite significant and some of these issues are quite old.

**Councilor Hardy** asked for an update to the Committee on what they have been hearing at these meetings. She also asked if this could be made a regular part of the B&F meetings.

**Mr. Towne** said he's pleased to review with the Committee those meetings over the last three weeks and said unless they tackle this weekly; it is never going to get momentum. The Mayor agreed. They took the free cash calculation for the General Fund which is created by the DOR Administration as processes of the tax recap they certify free cash. He wanted the backup of the numbers that created the free cash deficit. They gave it to him exactly how they calculated it so he could see it – a list of every fund that was in deficit as of June 30, 2009 that wasn't covered with subsequent receipts. It could have been a deficit but we were awaiting a reimbursement from the State. The true deficits sit on the sheet. So we had a \$1.1 million in capital project deficits, and we had a several hundred thousand dollars in the revolving funds and differences between the receivables on the general ledger. We had the snow and ice deficit. We had an appropriations deficit. When you look at all the deficits that are there, some of these have been there for years. His goal is to take care of everything over \$500,000 before June 30<sup>th</sup> of last year. They did that with the exception and should have been taken care of before June 30<sup>th</sup> which is the odor control project. The odor control project had two loan authorizations. The first loan authorization was thought to be enough; but additional funds were needed so the revenue for borrowing was put into one fund and the expenditures were sitting in another fund. It's been sitting like that for years. That \$1.1 million should have been off - it should have been fixed. They will fix that by fixing the accounting portion of it. He's trying to determine if this is an accounting treatment or if it requires a vote of the City Council. He believes it is just an accounting treatment. So we have two that are like that. You take the expenses that were supposed to go to the proceeds and then you fix it. This adds up to \$550,000. The rest is split between water/sewer projects of less than \$100,000. Everything else is less than \$100,000. That was his goal to get rid of everything over \$100,000. And it was relatively successful. A lot remains under \$100,000. They've split this up; some are school, some are City; some are water/sewer. They're going through them every single week. They research some and then show what went wrong. Some go back to 2005 and 2006 when we had the Clean Sweep program which was at the time the software system was new – there were a lot of posting errors

back and forth. They brought in an outside accountant to go through it. A couple of these resulted from that time. So, we need to find funding sources for that. That's what we're working on now – to identify those and bring them to City Council so that we can say we want to transfer from here to get rid of the deficits and here's why.

**Councilor Curcuru** said some of these deficits will be in the departments and see if they can get rid of their own deficits. Some of it will possibly carry over until next year's budget which is still on track.

**Mr. Towne** said if they can't fund it out of FY10, they want to take them right up front and get rid of them as part of the budget process so that they don't have any of those deficits closed old projects that still sit out there.

**Councilor Hardy** asked if they are going to encumber from Day #1 and asked Mr. Towne for an example.

**Mr. Towne** said he believes they can find funding solutions to take care of this. He gave the example of the beach rake. The loan authorization was for \$38,000 as part of the DPW equipment loan of \$205,000 which was another loan authorization and we were going to take this remaining portion of \$55,000 out of there. Nothing was done in the Gen Ledger; the expenses were not moved, the DPW equipment line item; so that nothing moved. When they went to borrow that \$205,000 there was only \$155,000 worth of expenses there. The expenses for the beach rake were supposed to be paid out of that line item that was never moved there. They did the borrowing; they borrowed to cover the expenses. The vote was taken by the Council, but no action done in the General Ledger. Therefore, we've already borrowed. We've closed out the \$205,000 loan authorization, and we can't go back to that loan authorization. Once you go short-term, and you don't finish it by the long-term funds, basically we returned \$55,000 in cash to the short-term borrowing; we're done. So now have to come up with \$55,000. It's all because the Certification of Vote was done by the City Clerk's office, but they didn't follow through in the accounting treatment.

**Councilor Hardy** asked how that mistake happened and how it can be prevented from happening in the future.



**Mr. Towne** said now both side of aisle are getting copies of the Certificates of Votes. They're tracking it going through for long-term debt borrowing. He believes this is the first time anyone has looked at the entire debt and analyzed it and understands what is happening with it. MWPAT borrowings, State revolving fund borrowings that help them get the 2% loans from the State for water and sewer projects. For instance, the water treatment plant we did, \$9 million of that qualifies for the State loan because of the \$2 million but it doesn't qualify for State revolving funds. So you have a \$6 million loan authorization; you have \$3.9 million that comes from SRF; the \$2.1 million has to be borrowed in the open market. Imagine looking at the paperwork and you submit for the \$6 million for the SRF program, you send it and they send you a loan agreement for a different balance. You send it back and then you borrow it over a two year period, drawing down – and it gets messy with 10 or so going on at the same time. He's developing the internal structure on his side and working with Auditors office. They're looking at the debt independently, and giving them all our paperwork so they're getting a second set of eyes to make sure they're charging things off in the right place. His office in the past couldn't do that in the past, the Auditor's office didn't have anything to check on. This has now been taken to the next level which is really good on the City side. The City Auditor had said that he was the only one who had tackled this project and been successful since she had been with the City. It's taken a full 9 to 10 months to go through it all. Some of the old ones he didn't bother to research because there was nothing with them. They will just continue to pay the debt on them because they're still outstanding. He didn't try to tie it together.

**Councilor Curcuru** said that Mr. Towne has set procedures that are now in place so we don't run into this issue again.

**Mr. Towne** said yes; and each June, they've committed to the DOR that anything that has expenditures that has loan authorization that will be borrowed short- or long-term by June 30 so don't have deficit project. This was a commitment that the Mayor made to Jerry Perry of the DOR. Just recently as part of last year's recap process so we don't ever get in that situation again. We have to clean these up by June 30<sup>th</sup> - Jerry Perry is going to be looking at it, with exception of Food Service. They are working on a five-year projected management plan of the Food Services Fund. Tom Markham, CFO of the School Department is working on that. We have met. There is no pride of ownership anymore. He shares with the Auditor's Department and with Mr. Markham. This is developing a new spirit of partnership. He and Mr. Markham are committed to meet monthly, and they have done that in the last couple of months.

**Councilor Curcuru** said this is good segue to the school budget. He mentioned to Val Gilman, School Committee Chair, of having more transparency in the school budget. It was her suggestion that we request to meet with the School Committee's B&F Committee and request that their budget be more transparent than it is now. They're willing to talk to us about it - instead of going there that night, appropriating and voting on the final number. They can see

how we spend our money, and we can see how they spend theirs. They would like to have a formal request from the B&F to the School Committee.

**Councilor McGeary** said he actually approached the School Committee about attending their B&F meetings, and they had no objections.

**Councilor Curcuru** said he'd like the B&F to make a formal request to the School Committee that we can sit and go to their meeting to have a candid discussion on how we'd like for them to present their budget to us. All we would like to have is a little more transparency. We need to bring our budget so that they can see it as an example to show them this is what we'd like to see from them.

**Mr. Towne** said perhaps it should be posted on the City's website – on both the City side and the School side so the public can see it.

**Councilor Curcuru** said there has always been some opacity to their presentation to the Council. We are only given the bottom line.

**Councilor McGeary** asked Mr. Towne that when you say there was \$1.1 million in deficits that you fixed them. You're saying they're fixed because there was an accounting error or it was fixed by transferring funds.

**Mr. Towne** said we had over \$3 million in deficits when he started with the City. We took care of \$1.2 million with one project – that was the Title V project. It was money that went back all the way up to 2008 that the State owed us for the septic system work. People's systems failed; we loaned them the money; we borrowed the money from the State; we'd loan them the money. We used to get the money up front from the State; but then when it switched it went from we spend the money and then reimbursement. The State pays us the money and when they're all done, the State converts the short-term money to a long-term debt program; and we pay principal – it's a 0% loan. Then the people pay us back over a 15 year period. The debt is 15 years, technically a wash for the City. We had paid out \$1.2 million and never got the money back from the State. It's been that way since 2002. It was one of the first things that he tackled. He couldn't understand that if it was a reimbursement program then why it was costing the City money. We were \$1.2 million in the hole. They went back to 1999 and did their research for

every single property they'd ever loaned money for and then went back and got all the money in April of 2009. They cleared that up, and cleared up many others. They had to go and meet with the State and had to show every detail to get the \$1.2 million from them. They had to send all the information in a second time after that meeting, and we got the money in 10 days. We almost missed out because there was only 6 months left on that spending source being retired from the State. He tackled that first because it was the biggest deficit that they had. There are \$1.1 million in capital project deficits and approximately \$200,000 in revolving funds. They're working hard at cleaning that all up. The City has more than the School does. The School is working hard on their end, too.

**Councilor Hardy** asked as it relates to the school budget, are we privy to the number and amounts of the grants that they get through the year.

**Mr. Towne** responded they all come through the Treasurer's office.

**Councilor Hardy** said she would like to understand more about their grants so that she can better understand their budget process. If they have already funded through an appropriation in a line item that's approved for the FY11 budget, and they get a grant to supplant that, what happens to the money already appropriated in the line item? Can they transfer it to another department and expend it in another area. Aren't we supposed to increase the budget each year to meet the State standards?

**Mr. Towne** commented they cut their budget two years in a row.

**Councilor McGeary** said there's a foundation budget for it.

**Councilor Hardy** asked if any of the grant money go towards the foundation.

**Mr. Towne** said, for instance there is Title 1. It is not part of the budget process. That is outside of the budget process. They have a number of revolving funds and grants that they receive. If you wanted to talk about big picture – here's the City appropriation. We want to know all the grants that you get and any other funding source that you spend during the year that's a part of

the City's appropriation. That should give you the big picture. Then there are other statutory funds that they're allowed to have like transportation that's outside of their budget.

**Councilor Hardy** said all they see is their operating budget.

**Mr. Towne** said there are other expenditures that they have. They have the ARA funds for instance. There's one for \$4 million.

**Councilor Curcuru** said that isn't included in their operating budget. Is there any way you can tell us what they receive outside of the operating budget for this last fiscal year; what it is over all.

**Mr. Towne** felt between he and Mr. Markham they could do that for the Committee.

**Councilor Hardy** noted she had asked for that quite some time ago. This is a part of the equation she needs to understand more fully to better understand their budget.

**Mr. Towne** said they'll give the Committee all the expenditures for 2008 and 2009 you'll have the City appropriation #35771 and all the "28" funds (any fund that begins with the number 28) which is the remaining portion of all of their funds. Any fund that begins with the number 28 include grants and revolving funds and other special revenues

**Councilor Curcuru** said in reality the amount of revenue that the City gives to the school outside of what they give for their operating budget along with loans that we're paying.

**Mr. Towne** said you have the \$35 million. In the City side of the budget is the vocational school assessment but it's still educational related – that \$1 million which is in his operating budget as City Treasurer which is \$2.6 million for FY10. You've got retired teachers health insurance which is on the cherry sheet, which is a special assessment on the City side over \$2 million, and pensions. They do \$5.2 million in total. A significant portion of that is City and is also School.

The point is many items are on the City side. The Superintendent had a chart that made it seem like the City side was more than the School. We were just trying to say that it's not 50:50. There's only so much to spend in total citywide including the City and the School budget.

**Councilor McGeary** said these are costs associated with education even though they are on the City side.

**Mr. Towne** said debt is controllable so they're trying to put it in perspective. He pointed out the important fact that for personnel and ordinary on the City side it is \$22 million only to run the entire City side – that's Fire, Police, DPW, City Clerk's Office, Collector, Auditor, Treasurer. To run all those departments, it is only \$22 million and all its functions. That's less debt, pensions, health insurance – without the big ones. This is day-to-day operations, not the fixed costs. They took them out on both sides.

**Councilor Hardy** said we all need to understand each other's budgets. We're all one big City. But we're elected to oversee the interests of the City, and they're elected to oversee the interests of the School Committee. They're going to fight for the schools. They don't see the big picture – they weren't elected to see the big picture. They're doing their jobs and they're doing it well.

**Mr. Towne** said the total tax is what is important in the City.

**Councilor McGeary** said we're charged with trying to hold down costs, and it's good to know where the money is going in tough times.

**Councilor Curcuru** said we know where every penny goes on the City side, but not on the School side.

**Councilor Hardy** said what hole is this filling. If we have a balanced budget, if they're getting more money in, there's more money coming into the City than the Council is aware of.

**Councilor McGeary** said there are Title 1 teachers that are funded out of Title 1 monies.

**Mr. Towne** said we don't discuss much at City Council because it never has to come before you for a vote. These are in the "28" funds.

**David Anderson** said that per pupil cost is supposed to reflect all the total revenue that the Schools take in; all of the grants and any other money that they get should be part of the per pupil cost because that's revenue. Many have been frustrated at the lack of availability of the school budget for the taxpayer's examination well before it comes allowing time to study it well before it comes to the School Committee for a vote.

**Councilor Hardy** noted that this making available of the school budget in advance is in the City charter.

**Mr. Anderson** said this never happens. He explained some of the situations that had previously transpired in his belief that they are shrouding how much they are paying per pupil. Every city and town requires that this be available well beforehand.

**Councilor Curcuru** stated that this issue is of the school budget being available is in the City charter. He believes this need to be brought up to the School Committee. He asked Mr. Anderson if he had gone to their budget hearings and if they operate line item to line item.

**Mr. Anderson** said no, it's a synopsis. He believed that many taxpayers are asking that the information be in front of them. He agreed with the Committee's inquiries and supports the issue of transparency.

**Councilor Hardy** said she just wants to have a better understanding so she can make an informed decision. She noted she has sat in budget meeting for quite some time, back to when she wasn't on the Council but in another position within City government, she was told the only thing the City Council does is approve the bottom line (of the school budget). We (council) don't have the right to go into the (school) line items and change anything. She has no problem with that. But how would she or her fellow Councilors know if they should be affecting the bottom line until they fully understand the line items that make up their School Budget.

**Councilor Curcuru** said for the last two years that is all they've asked for, and get a 17-page budget.

**Mr. Towne** said they enter a detailed budget, line item by line item, into Unifund; and it is public information.

**Councilor Hardy** noted that the school budget may be exactly as represented in their summation which comes to the Council each year; but without an understanding of the line item budget, they have to way to assess the school's bottom line one way or the other.

**Councilor McGeary** said in general he agrees they want to see the budget and they want to see it in detail. As to the specific per pupil cost, that is a State formula, otherwise every city and town would determine their own number in their own way. We can't do the math without knowing all the numbers.

**Mr. Anderson** said that if we're actually spending more than the base number because of grants, the taxpayer should know that.

**June Steel** of 6 Elm Street said she grew up in Gloucester and this is her first meeting of B&F. She ran a division of the University of North Carolina at Chapel Hill from which she retired, and did budgeting and finance. She is extremely pleased to hear the direction the committee is going in. She felt the questions being raised by the Councilors were very important. The money that is going to the Schools is money that you're collecting in taxes. She noted it was amazing to her that the Councilors don't know more specifics as to how that money is spent, than just the bottom line.

**Councilor Hardy** read the portion of the City Charter Sec. 4.7 pertaining to how far in advance that the budget for the Schools should be made public. "At least 30 days before the meeting at which the School Committee is to vote on the budget request that they submit to the Mayor. He (the Mayor) is required to submit [it] to the City Council. It is to be published in a local newspaper a general summary of its proposed budget. The summary shall indicate specifically areas of increase from the present budget, if any, and the reasons for such increases and a notice stating 1) the times and places where the complete copies of the budget will be available for

examination by the public; and 2) the date, time and place no less than seven nor more than 15 days following such publication when a public hearing will be held by the School Committee on the proposed budget.” So the general summary is to be published in the newspaper but complete copies of the budget must be made available. It is the interpretation of the School Department to be the complete copy. Last year when she asked for a complete copy she was given the summary because that was the only thing the City Council will effectuate is that bottom line. There was no detail of the line items. It gave no names of employees so she could check to see if they were full- or part-time; are they getting the right FTE, are they in two different departments by mistake.

**Councilor Curcuru** asked Mr. Towne when the City starts on their budget.

**Mr. Towne** said they started at the beginning of January working on revenues and will kick off with the departments at the beginning of February allowing them to start entering data to Unifund. We have a ‘line-by-line with the departments and put in all detailed the notes on each line item so that, for instance, patrolmen’s salary – we have each person’s name, the amount, the position, longevity – we calculate all that based on line item. They try to have a paperless report by the time they’re done. The system has the capability of putting in the back up of every single line item that’s in there.

**Councilor Curcuru** asked when the school department will start.

**Councilor Hardy** said she believed they’ve started and are having meetings now.

**Mr. Towne** said the Mayor is just giving them their budgetary guidance now.

**Councilor Hardy** noted that guidance will be in the City Council report coming up on February 2, 2010.

**Councilor Curcuru** said he has had informal discussions with Ms. Gilman, Chair of the School Committee on being more transparent to the City Council on their budget, and she has welcomed us to their B&F meeting to present our concerns and to see where it goes to from there.



**MOTION: On motion by Councilor Hardy, seconded by Councilor McGeary, the Budget and Finance Committee of the City Council voted 3 in favor 0 opposed, to request the School Committee provide the City Council's Budget and Finance Committee with a complete FY2011 line item budget including but not limited to #28 funds, employee names, positions and salary amounts, together with FTE's and longevity of all employees; to aid the Budget and Finance Committee in its overall budget preparation as in accordance with Sec. 4-7 of the City Charter.**

The Councilors and Mr. Towne revisited the question of when the budget time clock actually starts – whether it is when it is received into the City Clerk's office and is time stamped or is it when the Mayor physically presents it to the City Council at their meeting. Until the 45 day clock starts' 'ticking' no work is able to be effectuated by the City Council. They also noted the dates of the scheduled City Council meetings at the last portion of the second quarter of 2010, and if a special City Council meeting is necessary when it could be held.

In addition, they discussed the scheduling of these discussions, and noted that some of these will now be able to be scheduled during the day. They would like to see the smaller departments grouped and handled first, such as the Legal Department, the Clerks office, the City Auditor's office; and then big departments, like the DPW.

**Councilor Hardy** asked Mr. Towne what he'd like to see addressed first.

**Mr. Towne** said revenues. He'll present a schedule which can be marked up how the B&F would like to hear them. He'll also present combinations of departments whose budget will be reviewed in evening meetings.

**Councilor Hardy** noted and reminded all those in attendance that the budget deliberations of the Budget and Finance Committee are public *meetings* but *not public hearings*. The public is welcomed at the meetings, but it is up to the chair to determine if public comment can come in at the meetings and that comments and concerns can be expressed and are welcome at the public hearing.

**Councilor Hardy** asked permission of the Chair to speak to the City Clerk regarding secretarial help at budget meetings. In the past, the Clerk of Committees has been so deluged by the work of Standing Committees and keeping them on track for other things that they have asked a former employee, Anne Marchand, assist as a substitute recorder. She would like to inquire if Ms. Marchand is able to do this once again.

**Councilor Curcuru** and Councilor McGeary agreed Councilor Hardy should make the inquiry.

### **B) City Auditor – Job Description**

A brief discussion was held between the Budget & Finance Committee, with input of Mr. Boyce and Mr. Towne, about the job description of the City Auditor as well as of the salary discrepancies of the financial professionals in the employ of the City. They also discussed the timing of the amended job description together with possible salary adjustment, advertising and placement thereof. Also discussed was the timing, possible wording, and the salary range for an advertisement and as to where an advertisement would be placed.

The Budget and Finance Committee decided to continue this matter to their next regularly scheduled meeting.

**It was motioned, seconded and voted unanimously to adjourn at 7:50 p.m.**

**Respectfully submitted,**

**Dana Jorgensson**

**Clerk of Committees**