

CITY COUNCIL STANDING COMMITTEE
Budget & Finance
Thursday, June 9, 2011 – 6:30 p.m.
1st F. Council Committee Rm. – City Hall
-Minutes-

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

Absent: None.

Also Present: Kenny Costa; Jeff Towne; Jim Duggan; Police Chief Michael Lane; Michael Hale; Sarah Garcia; Larry Durkin

The meeting was called to order at 6:30 p.m. Items were taken out of order.

AGENDA ADDENDUM:

1. *Old Business:*

Memo from Mayor Carolyn Kirk re: Joint Resolution (as taken up by the Budget & Finance Committee on Tuesday, June 7, 2011)

Councilor Curcuru recounted this was taken up at the Budget & Finance meeting of June 7th (convened for the FY12 budget review) and that the motion that would come out of their Committee meeting now would be to forward the Joint resolution to the full City Council with no recommendation.

Councilor McGeary acknowledged that while they are going to send this back to the Council with no formal recommendation, on the 7th he did sign the Joint Resolution because he believes as a strategy it is a good approach with **Councilor Hardy** adding it will be discussed at Council as a result of these minutes from this meeting.

MOTION: On motion by Councilor McGeary, seconded by Councilor Curcuru, the Budget & Finance Committee voted 3 in favor, 0 opposed to send the following Joint Resolution back to the full City Council as follows with no formal recommendation for their consideration:

WHEREAS the Administration has presented a balanced budget for Fiscal Year 2012 to the City Council for its acceptance;

WHEREAS the City Council may reduce any amount recommended by the Administration for particular budget line items;

WHEREAS, the City Council may not, without the recommendation of the Mayor, increase an amount for a particular budget line item or the total budget, with the exception of the School Department;

WHEREAS the Administration must consent to additions to revenues;

WHEREAS the City Council may increase the total amount appropriated for the School Department;

WHEREAS the School Committee may determine the amount to be placed in each of its line items within its budget although the total appropriation is set by the City Council;

WHEREAS the Public Employee Committee through negotiation and agreement with the Administration has authority to accept changes to health insurance offered by the City;

WHEREAS, the Administration, City Council, School Committee, and Public Employee Committee desire to exercise their individual statutory authority in the interest of working cooperatively and collaboratively to finalize the Fiscal Year 2012 budget

NOW THEREFORE, the Administration and the Budget and Finance Sub-Committee have put forward a revised budget plan that funds an additional 18 jobs which otherwise will be lost if these budget adjustments are not made

ACCORDINGLY, PROVIDED THAT

1. *The Public Employee Committee agrees to negotiated changes in health insurance which yields at least a total savings in the currently balanced FY12 budget of \$428,000;*
2. *The School Committee agrees to fund a line item in its budget for payment of health insurance deductibles for its school employees which is estimated at \$100,000;*
3. *The City Council agrees to fund a line items in its budget for payment of health insurance deductibles for its employees along with the cost of administering the program for the schools and city which in total is estimated at \$150,000;*
4. *The Administration recommends, and the City Council agrees, to utilize \$300,000 stabilization funds to pay off a portion of the FY11 snow and ice deficit thereby freeing up \$300,000 in FY12 operating revenues now held in reserve for same purpose;*
5. *Every effort will be made to utilize available Free Cash generated from FY11 to fully or partially restore the city's stabilization fund and to fund city and school contracts.*

MAY IT BE RESOLVED that the revised budget plan incorporates the following changes:

1. *Reductions in expenses totaling \$439,000 from the Department of the Mayor (\$49,000) and employee health insurance (\$390,000);*
2. *Increases in revenues totaling \$568,198 which is comprised of:*
 - a. *\$100,000 increase in Ambulance revenue*
 - b. *\$168,198 increase across a variety of other local revenues line items;*
 - c. *\$300,000 increase in available revenues for FY12 currently held in reserve for the FY11 snow and ice deficit.*
3. *Program changes amounting to \$1,007,198 which brings the budget back into balance:*
 - a. *\$350,000 to restore the School Dept. to level funding. . NOTE: In addition, the School Dept will realize its \$282,000 in savings from health insurance savings but will have to fund \$100,000 towards offsetting deductibles.*
 - b. *\$150,000 to modify the custodial privatization plan. NOTE: modifications are limited in scope and will not restore all positions.*
 - c. *\$150,000 to fund the city's portion of offsetting deductibles along with program administration;*
 - d. *\$248,198 to restore public safety positions (police and fire departments);*
 - e. *\$58,000 to restore the position of Assistant City Auditor;*
 - f. *\$10,000 increase in Tourism budget;*
 - g. *\$41,000 increase in the Legal budget for contract services.*

MAY IT BE FURTHER RESOLVED that time is of the essence and a final budget plan must be in place no later than June 15, 2011.

[NOTE: All signature lines are not made a part of this motion per the B&F Committee's request.]

1. Continued Business from 05/19/11:

- A) Appropriation request to fund first year of Police Contract and additional appropriation requests
From free cash: Discussion related to \$19,793.00 to Budget & Finance in order to reconsider the use of the funds

This matter was concluded at the Special City Council meeting of Tuesday, May 31, 2011. No further action is required by the B&F Committee.

B) Special Budgetary Transfer Request (#2011-SBT-27) from Treasurer's Office (\$6,505.59)

Mr. Towne asked that this transfer be withdrawn as it is no longer needed.

MOTION: On motion by Councilor Hardy, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed to withdraw Special Budgetary Transfer 2011-SBT-27 and that the designation number be retired.

2. Special Budgetary Transfer Request (#2011-SBT-36) from Information Services Department (\$200.00)

MOTION: On motion by Councilor Hardy, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council the transfer (2011-SBT-36) for \$200.00 from Software lease/purchases, Unifund Account #101000.10.155.62850.0000.00.000.00.052 to Wages – Full Time, Unifund Account #101000.10.155.51100.0000.00.000.00.051.

3. Special Budgetary Transfer Request (#2011-SBT-37) from Mayor's Office (\$2,035.16)

Mr. Towne noted this transfer is to cover the salary for the Welcome Center Coordinator through the end of FY11 and the transition from the last previous Welcome Center Coordinator because there was so much to do at the Center to prepare it for the season. Councilor Curcuro wondered if they would be extending the timeframe of keeping the Center open longer in the season. Mr. Duggan thought that it might be a possibility of relocating this center and perhaps making it a part of I4-C2. They have a good handle on start and end dates now. Councilor Curcuro pointed out they're trying to attract more people to come to Gloucester during the shoulder seasons. But the building is not winterized. It's open only from around May 15th until mid-October. Councilor Hardy thought with the opening of the Dog Park at Stage Fort Park that keeping the Center open would be appropriate. Mr. Duggan and Councilor Curcuro noted that the flue on the fireplace there is capped and that there is no heating in the bathrooms. Keeping it open past mid-October would be at issue because of that fact.

MOTION: On motion by Councilor Hardy, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council the transfer (2011-SBT-37) for \$2,035.16 from Unifund Account #101000.10.121.51200.0000.00.000.00.051 to Tourism, Sal/Wage-Temp Pos., Unifund Account #101000.10.563.51200.0000.00.000.00.051.

4. Special Budgetary Transfer Request (#2011-SBT-38) from DPW (\$26,500.00)

Mr. Towne stated this transfer is for funds needed to replace the monies transferred to Facilities Heating Oil to correct a budgeting deficit in Public Services Electric. This is for Todd Oil bills. They transferred it out of electric and this is to put this back in.

MOTION: On motion by Councilor Hardy, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council the transfer (2011-SBT-38) for \$26,500.00, Public Services Permanent Position, Unifund Account #101000.10.470.51100.0000.00.000.00.051 to Public Services Electric, Unifund Account #101000.10.470.52110.0000.00.000.00.052.

5. Special Budgetary Transfer Request (#2011-SBT-39) from DPW (\$21,000.00)

Mr. Towne explained this transfer is for funds needed to replace the monies transferred to School Facilities Heating Oil which was used to pay invoices outstanding due a deficit in the funding in this account out of lag money for an engineer they did not hire.

MOTION: On motion by Councilor Hardy, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council the transfer (2011-SBT-39) for \$21,000, from Engineering, Sal/Wage Perm Position, Unifund Account #101000.10.411.51100.0000.00.000.00.051 to DPW, Other, Street Light Power/Service, Unifund Account #101000.10.499.52130.0000.00.000.00.052.

6. *Special Budgetary Transfer Request (#2011-SBT-40) from Treasurer/Collector's Office (\$91,553.50)*

Mr. Towne noted this transfer is to provide additional funding necessary for the remainder of FY11. This is their best estimate at this time. They are holding invoices to be paid until this transfer is authorized for utilities, gas. There is still \$80,000 to \$90,000 that is still to come in year-end transfers. This is part of the bottom line gap they needed to shore up which hurt FY11 and will do so in FY12.

MOTION: On motion by Councilor Hardy, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council the transfer (2011-SBT-40) for \$91,553.50 from Treas/Collector, Debt Principal, Unifund Account #101000.10.145.59100.0000.00.000.00.059 to Unifund Account #101000.10.472.52103.4111.00.200.00.052.

7. *Memorandum from CAO re: payment of invoices without a contract for the Green Repair Project*

Mr. Duggan explained to the Committee that this request is for the payment of invoices as they pertain to services rendered by Owner's Project Manager (OPM) (Kevin Buckley of KBA Architects) and the Designer (CGKV Architects, Inc.) for the Green Repair Project through the MSBA for the replacement of the roofs at the Beeman, East Gloucester, Veteran's Memorial and Plum Cove Elementary Schools and the O'Maley Middle School. Although a contract has been executed, the dates on the invoices reflect that the services were performed while the contract was not yet in place. These services have all been rendered and are accurate. They were submitted in order for it to be before the MSBA for their vote. They were under the gun to submit the Statements of Interest. They had to use their contracts for the designer and selected from their OPM's. The broad-based School/City Committee had to go through a review process and committee to select an architect then there was a rush to submit the necessary plans, drawings for the five schools and the rink. They will see language to amend their \$6 million loan order to put the rink into it. They will do that within the scope of the loan authorization. The MSBA gave them a guideline of \$16-\$20 per square foot. They are coming in today, the City's OPM is pricing it out at \$17-\$18/Sq. Ft. and will allow for the rink roof in as an alternate. The MSBA has no problem with that and have been up front with them. It is not part of their reimbursement. When their site team came here and got up on the roofs they had a conversation about the Fuller School and the O'Maley Rink was ineligible because it wasn't a full school and the rink was not a part of the every-day academic facility. The 48% reimbursement will be outside of the scope of the reimbursement and they have to identify whatever they spent for the O'Maley Rink. **Councilor Curcuru** wished they had put the West Gloucester School into the scope. **Mr. Duggan** noted at the time it was a conversation about possibly building a new school or in part. The MSBA had a meeting at Westfield State which was postponed to June 8th but did not have a quorum and now there are no issues with Gloucester's schools. They have to formulate a vote through a forum and will convene a meeting within the next seven days. The funding agreement can't be without their Certificate of Vote, according to **Councilor Curcuru**. **Mr. Duggan** stated he confirmed because they've postponed the meeting twice are all the services to date is that all reimbursable and was told "absolutely". **Mr. Costa** confirmed it is reimbursable at 48%, the bills before them. He asked if they were borrowing for this. He wanted to be sure they're covering this deficit. It is in a capital project fund right now. But if it is in deficit at the end of the year it is a hit to free cash. **Mr. Towne** stated if they're not doing a request into the MSBA by June 30th he'll have to borrow for this. **Mr. Duggan** stated once voted on they'll get a PFA (project funding agreement) a few days after that. That will outline and determine the rate of reimbursement; and after receipt of that, they can then submit a progress payment. He was assured by Kevin Sullivan of the MSBA he is aware of the sensitivity to the June 30th date. **Councilor Curcuru** asked if they were the only municipality in this situation. **Mr. Duggan** stated there are some have similar issues do the replacements over the summer. This morning Mr. Buckley, Jim Hafey with Dr. Safier's leadership team (school principals) met; and the leadership team expressed their concerns for prepping for the next school year. The OPM was optimistic that if they don't get excessive heat or rain they should be on schedule to get 99% of the work done by the end of August. **Mr. Costa** thought they should go out for a loan on this and do a BAN. **Mr. Duggan** stated that they could talk to the OPM the following day. **Mr. Costa** didn't like to rely on an OPM as he has had some experiences that were not successful. **Councilor Curcuru** expressed his confidence in this OPM as did **Mr. Duggan**. **Mr. Towne** was concerned by the timing as was **Mr. Costa** and that if there was a deficit it will end up as a free cash hit which **Councilor Curcuru** asked **Mr. Duggan** to express to their OPM. **Mr. Costa** thought they should perhaps borrow a couple of million. Once the PFA is in place they'll only borrow what they need. **Mr. Towne** described how they would borrow the money and how much via a float. **Mr. Duggan** noted it is a 14 day turnaround according to the MSBA. **Mr. Costa** pointed out they could transfer funds

from the General Fund to the Enterprise Fund to make the annual payments on the rink debt for the roof which is paid twice a year. **Mr. Towne** stated he would do that with one transfer.

MOTION: On motion by Councilor Hardy, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the full City Council the payment of invoices for professional services rendered from April 12, 2011 to April 30, 2011 for the Green Repair Roof Project through the MSBA for the Beeman, East Gloucester, Veteran's Memorial and Plum Cove Elementary Schools and the O'Maley Middle School to CGKV Architects, Inc. as Designer for \$115,578.00 as follows to be paid from Fund #300077- CIP10-09 Schools Roof Replacements:

Beeman Memorial Elementary School	Invoice #2-1 dated 5/10/11	\$11,343.25
East Gloucester Elementary School	Invoice #3-1 dated 5/10/11	\$10,510.25
Plum Cove Elementary School	Invoice #4-1 dated 5/10/11	\$ 9,150.25
Veteran's Memorial Elementary School	Invoice #5-1 dated 5/10/11	\$12,448.25
O'Maley Middle School	Invoice #1-1 dated 5/10/11	<u>\$36,063.00</u>
	TOTAL	\$115,578.00

MOTION: On motion by Councilor Hardy, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the full City Council the payment of invoices for professional services rendered from March 25, 2011 to April 23, 2011 for the Green Repair Roof Project through the MSBA for the Beeman, East Gloucester, Veteran's Memorial, and Plum Cove Elementary Schools and the O'Maley Middle School to Knight, Bagge & Anderson, Inc. as Owner's Project Management for a total of \$15,000.00 at \$3,000 per school, as invoiced on April 28, 2011 (all invoices annotated as Invoice Number 1). Funds are to be paid from Fund #300077- CIP10-09 Schools Roof Replacements.

8. Memorandum from DPW Director re: request for funding for athletic (Nate Ross Field \$50,000) and Recreational facilities (Dorothy Talbot Rink \$400,000) for a total of \$450,000 Loan Authorization

Mike Hale, DPW Director explained to the Committee that two recreational facilities, Nate Ross Field and the Dorothy Talbot Memorial Rink, (touched upon at the Budget Review on June 7th) are in great need of repair work and is asking for a total loan authorization of \$450,000 to complete these necessary repairs. He broke down the needs as follows:

Nate Ross Field

This field is home to the GHS varsity baseball team and the American Legion baseball team, the Gloucester Senior Babe Ruth baseball program and the Gloucester Senior League baseball program. The issue was brought to their attention by coaches, parents and concerned citizens. The field is used on a daily basis from April 1st to mid-summer and then again in the fall from September to late October. The field's deteriorating condition has raised concerns for the safety of players and spectators. He enumerated the deficiencies as follows:

- Right field fence separating the baseball field from the O'Maley School track is in need of replacement
- Players' benches for both home and away teams need to be replaced.
- There is no separation between the player's bench area and the fans that stand along the fence. The entire bench area should be enclosed with a six-foot high chain link fence to protect players and team staff.
- Current bleachers accommodate approximately 25-30 people. An appropriate set of bleachers would accommodate at least 100 spectators and needs to include safety fencing along the sides and back row of bleachers.
- There is no safe place for either a home team or visiting team to have a pitcher warm up. A fully-enclosed bullpen (6 ft. high chain link fence (that has room for two pitchers to warm up side by side is appropriate for player and spectator safety.
- There are drainage issues in both the out-and in-field areas in need to attention to protect the investment made in the field over the years. The outfield needs drainage ditches installed that will direct water away from the playing surface to the sides of the field. The infield issue could be solved with the purchase of an infield cover to keep water off the clay base paths.
- There is a serious lack off-street parking. It has been suggested to pave over two existing grass areas around the skate park to provide for at least 25-30 vehicles.

This is a General Fund obligation.

Dorothy Talbot Rink

When on July 1st the DPW assumed maintenance of the school facilities, this included the Dorothy Talbot Rink. Significant deficiencies with the mechanical elements of the rink, as well as safety issues with the rink's boards and glass were noted by rink professionals and committees. These issues were observed by all on the rink tour which included members of the City Council. Since the merger of the City and School facilities, the City Council voted to create an enterprise account for the Talbot Rink. The proposed improvements will be funded through the revenue generated by the Talbot Rink. The improvements/repairs proposed are as follows:

- The rink dehumidification system has been non-functioning for a number of years. Without an efficient dehumidification system, moisture precipitates, forming fog over the rink and condensation inside the building as well as on the ice sheet. This affects wood, metal and synthetic surfaces causing rust and mold. It also requires significant energy costs as the refrigeration system must work harder to freeze the condensate removing its heat through several inches of ice, and causes holes in the ice. Another mechanical aspect is the replacement of the condensers. These units sit outside the rink and have reached the end of their useful life. They are a primary element of making ice. Without condensers there is no ice surface. The condensers are a part of the original ice making system and are past life expectancy. They have to be replaced before they can open up in September of 2011.
- The whole dasherboard system at the rink is past its life expectancy also. While the maintenance staff has made every reasonable effort to repair the boards and replace broken glass panels, the boards have significant rot along the ice surface and there are alignment issues with edges protruding out. The cap rail has considerable damage throughout the entire dasherboard system. The penalty boxes and player benches are too small causing people to lean up against the glass. The support mechanism for this system is deficient resulting in sagging or bulging sections of boards. There are many dangerous catch points that could injure skaters during recreational and competitive events. There are no possible additional repairs that will save the existing dasherboard system. It must be replaced. The new dasherboard system was described by Mr. Hale. They have just enough time to get this done, installed, up and running by September if this loan order goes through. The largest supplier of these systems is now on the pre-approved vendor list for the State and the prices are excellent, around \$125,000. A representative of Cape Ann Youth Hockey was present also.
- As part of the Green Buildings Program, the grant provides for some funding for a low E ceiling. An E ceiling will help deflect heat from the outside reducing cooling costs to the rink, reducing total energy costs. Most modern rinks have taken advantage of the use of low E ceiling materials. The fund provided under the program will cover approximately 60% of the necessary funding, and the loan request would support the balance.

Mr. Towne stated this would be about \$10,000 to be carried for one year, as the work will be done and will bond more quickly. **Mr. Hale** stated they've looked to borrow what they can afford to pay back. The inside door is also integral to keeping the humidity down in the rink. **Councilor Curcuro** didn't have a problem with authorizing the \$400,000. **Mr. Hale** pointed out the original matting around the rink has large gaps with is another place the money could be spent. The rink has had no capital work in years. **Mr. Towne** stated the long term cost would be about \$40,000 per year. **Councilor Hardy** asked since \$50,000 is for the General Fund for Nate Ross should they be separated out. **Mr. Costa** stated they need separate debt service schedules. **Mr. Towne** stated for his purposes it made no difference to have two separate motions. When it is voted it should state that the \$50,000 debt to come out of General Fund Taxation and the \$400,000 debt to come out of the Dorothy Talbot Rink Enterprise Fund. **Mr. Costa** stated that the original loan authorization for the dehumidification system which **Mr. Towne** agreed with that the \$16,000 left in that already borrowed loan authorization be spent first. **Councilor McGeary** asked about the hot water system for the rink. **Mr. Hale** noted it may be one of those things they can include when they bring gas into the building as part of the energy efficiency improvements. His staff can install the unit and felt it important it is important that the staff install this to see how it goes together. The extra labor he can have some of their younger summer help with this. The boards are pre-assembled and a standard configuration. It should be simple to install. The ice is now shut down and doors are open to dry the rink out. **Councilor Curcuro** stated this is the first step. **Pete Scola**, 70 Harrison Avenue, president of Cape Ann Youth Hockey expressed his excitement at the possible improvements. He related when the rink was first built it was "a gem" and would like to see it brought back to its former glory. **Councilor Hardy** looked forward to the rededication of the rink. **Mr. Hale** would have the Council there to see the improvements later in the summer. **Mr. Towne** would like to take the language back to Bond

Counsel to be approved by the Bond Counsel. **Councilor Hardy** stated the language to be voted on at the City Council public hearing will be the approved language by Bond Counsel.

MOTION: On motion by Councilor McGeary, seconded by Councilor Hardy, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council the following Loan Order:

Ordered: That up to \$450,000 is appropriated for the purpose of making improvements to recreational facilities of the City, including without limitation all costs thereof as defined in G.L. c. 44, §7(9) and (25) or pursuant to any other enabling legislation. The improvements to Nate Ross Field include but are not limited to, equipment, spectator and athletes seating, fencing, drainage and parking totaling up to \$50,000; the amount borrowed to be repaid from the general funds of the City. The improvements to Dorothy Talbot Rink include but are not limited to dehumidification improvements, condenser improvements and a low-E ceiling installation, totaling up to \$400,000, the amount borrowed to be paid out of the enterprise fund for the Dorothy Talbot Rink. To meet that appropriation, the Treasurer, with the approval of the Mayor, is authorized to borrow up to \$450,000 and to issue bonds or notes thereof under Chapter 44 of the General Laws or any other enabling authority; that such bonds or notes shall be general obligations of the City. The Treasurer is authorized to file an application with the Municipal Finance Oversight Board to qualify under Chapter 44A of the General laws any or all of the bonds authorized by this order and to provide such information and execute such documents as the Municipal Finance Oversight Board may require for these purposes and to ADVERTISE FOR A PUBLIC HEARING.

[Councilor Hardy stepped away from the meeting at 7:32 p.m.]

9. Memorandum from Police Chief re: grant available from the U.S. Dept of Justice, Office of Community Oriented Policing Services

Police Chief Michael Lane explained to the Committee that the department had received notification of the availability in early May of a grant offered by the U.S. Department of Justice, Office of Community-Oriented Policing Services. Grant awardees would be provided with 100% funding for approved entry-level salaries and benefits for three years for newly-hired, full-time sworn officer positions (including filling existing unfunded vacancies or for rehired officers who have been laid off, or are scheduled to be laid off on a specific future date as a result of local budget cuts.). At the completion of the three year period, the City would be required to maintain those positions for a minimum one year period. He noted in past years the GPD has applied for this same grant, but has not received an award. They hope to fare better in this round of applications. There is no match requirement or cap on the amount of funding that can be requested per officer position, but the CHP grant funding will be based on their current entry-level salary and fringe benefits packages. The deadline was May 25, 2011, and this is an after-the-fact request. They would look to put on three officers if awarded. The chances are slim that they would get this but it was due diligence on their part and felt it was worth the effort. They applied for the same grant in May of 2009 and did not get the grant then. They sent copies of the grant to the State Representative Ferrante and State Sen. Tarr asking for their assistance in pursuing this grant. It is a \$200 million nation-wide available. **Mr. Towne** pointed out that if this is bringing back lay off officers they would have to pay them the difference between the grade and step. **Mr. Costa** noted the appropriate paperwork had been filed.

MOTION: On motion by Councilor McGeary, seconded by Councilor Curcuru, the Budget & Finance Committee voted 2 in favor, 0 opposed to recommend to the City Council that the Police Department be granted permission to apply for a grant from the U.S. Department of Justice, Office of Community-Oriented Policing Services to provide for the 100% funding for approved entry level salaries and benefits for three years for newly hired, full-time sworn police officer positions in an after-the-fact submission.

Councilor Hardy returned to the meeting at 7:42 p.m.
The Committee recessed at 7:45 p.m. and reconvened at 7:53 p.m.

10. Memorandum from Community Development Director re: permission to apply for \$500,000 grant for Newell Stadium Renewal Project

Sarah Garcia, Community Development Director requested permission of the Council to submit a grant request for \$500,000 to the PARCs grant program run by the MA Division of Conservations services. This grant, if awarded, would pay a portion of the cost to purchase and install “field turf” as part of the Newell Stadium Renewal Project. The PARCs program provides matching grants of 56% of project costs, up to a total of \$500,000. It is a very competitive grant and is worth getting it. If the application succeeds in securing a \$500,000 grant, the City of Gloucester must document at least \$892,857.10 is spent on the purchase and installation of the field turf and provide \$392,857.10 in local funds. The PARC’s grant program will not provide funding for grandstands and other spectator-oriented facilities. **Councilor Curcuru** noted the bonding they did for \$1.5 million would cover the match. This project has been delayed by one year. **Ms. Garcia** stated they awarded them in October and there is a lag. She will see if there is a timetable to spend the money by checking with Stephen Winslow (Senior Project Manager). **Councilor Hardy** noted there is a match but it will be covered by an appropriation already made.

MOTION: On motion by Councilor Hardy, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council that the Community Development Department be permitted to apply for a grant from the PARCs grant program from the MA Division of Conservation Services for up to \$500,000 for the purpose of paying a portion of the cost to purchase and install “field turf” as a part of the Newell Stadium Renewal Project.

11. Memorandum from Community Development Director re: permission to apply for grants up to \$190,909 to Fund focused recreational, accessibility and public safety improvements at Burnham’s Field

Ms. Garcia requested permission of the Council to submit a grant requests for up to \$190,909 to the PARCs grant program run by the MA Division of Conservations Services and the Natural Resources Damages (NRD) Fund set up for mitigation for an incident of dumping through the MA Department of Environmental Protection for the Community Revitalization and Restoration Projects in Essex County Projects to fund focused recreational, accessibility and public safety improvements at Burnham’s Field. These grant applications, if successful, will require a \$150,000 match from the City which can be funded over the course of two years with Community Development Block Grant (CDBG) funds. The project will allow the City to design and construct targeted improvements at Burnham’s Field to replace damaged fences and play equipment, improve accessibility for all residents and enhance the ability of the City and the neighborhood to maintain a safe park environment. The City will hire a landscape design consultant to work with the neighborhood and the Police Department to develop a list of affordable improvements that will:

- Enhance the play areas including an ADA accessible structure and a water play area;
- Create accessible pathways that will also improve police access to patrol the field to address vandalism issues;
- Encourage greater neighborhood use and oversight of the area through the inclusion of garden plots or other amenities.

Ms. Garcia also believed if Burnham’s Field was better accessed then there would be fewer incidences of vandalism and crime. **Councilor Hardy** wondered if this would be good place for surveillance cameras. **Mr. Duggan** thought it was an excellent suggestion as did **Ms. Garcia**. **Councilor McGeary** noted in the documentation the project budgets \$50,000 for survey and design and \$290,909 for construction. A preliminary budget that lists possible improvements and a security camera system was submitted as a part of the B&F agenda packet (on file). **Councilor McGeary** asked if they are both equally competitive. **Ms. Garcia** thought the PARC’s grant was extremely competitive and the other grant is a one time mitigation fund and only for Essex County and so has no track record with that. **Councilor Hardy** noted years ago they had large snow in the early ‘90’s and looked to have off-street parking at Burnham’s Field by taking down chain link fencing to allow parking. If they’re able to do that by opening the gates in the winter for off-street parking it would be an enormous help in the area coming off of Burnham Street. **Ms. Garcia** would suggest that to the project manager. **Councilor Curcuru** asked if they would hot top the parking areas. **Ms. Garcia** stated that would be done during the design phase but will reconsider it in the fall if they don’t get these grants.

MOTION: On motion by Councilor Hardy, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the full City Council that the Community Development Department be permitted to apply for grant requests from the PARCs grant program through the MA Division of Conservation Services, and the Natural Resources Damages (NRD) Fund through the MA Department of Environmental Protection for the Community Revitalization and Restoration Projects in

Essex County Projects for up to \$190,909 in order to fund focused recreational, accessibility and public safety improvements to Burnham's Field.

12. Memorandum from Community Development Director re: City Council acceptance of additional grant funds In the amount of \$30,000 for Mass in Motion/Get Fit Gloucester program

Ms. Garcia reported despite the budget woes at the State, they are pleased to ask the Council to accept the grant extension funds of \$30,000 for the Mass in Motion grant. This funding supports the Get Fit Gloucester program, most critically with the Senior Project Manager's position. The grant has been extended to December 2012 with this additional funding. There is no match.

MOTION: On motion by Councilor Hardy, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council under MGL c. 44, §53A a grant extension from Health Resources in Action for the funding of the City of Gloucester's Mass in Motion grant in the amount of \$30,000.

13. Memorandum from Community Development Director re: City Council acceptance of Seaport Bond funds Expected to be in the amount of \$50,000 for the Harbor Plan Implementation

Ms. Garcia asked the Committee to accept the funding provided by the Seaport Advisory Council for the Port Professionals in the four second-tier MA ports: Gloucester, Salem, New Bedford, and Fall River for FY12. In accordance with the recommendation of the City's Harbor Plan, harbor coordination is an integral function of the Community Development Department. They have used this funding for a portion of the Community Development Director's salary and associated Harbor Plan implementation work. The funding is administered through the Executive Office of Environmental Affairs and the Seaport Advisory Council. There is no match. The scope of services was submitted and made a part of the B&F agenda packet (on file). **Ms. Garcia's** salary is 50% General Fund and 50% Seaport Advisory Council funds. However, the Committee confirmed that these funds would then next year go towards a Harbor Coordinator's position; and the Community Development Director's salary would be fully funded by the General Fund.

MOTION: On motion by Councilor Hardy, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council under MGL c. 44, §53A to accept Seaport Bond Funds from the Seaport Advisory Council administered through the Executive Office of Environmental Affairs in the amount of \$50,000.

14. Memorandum from Community Development Director re: City Council acceptance of Seaport Advisory Council grant funding in the amount of \$700,000 for design and construction of the downtown and Waterfront Harborwalk

Ms. Garcia explained to the Committee that the Seaport Advisory Council as awarded the City with an additional \$700,000 for the design and construction of the downtown and waterfront Harborwalk. All related documentation was submitted in the B&F agenda packet (on file). She asked that the Committee accept this grant award to provide flexibility for the initial phase expected to be bid and built in the summer and fall of this calendar year, allowing for construction supervision from the designers (Cambridge Associates), the inclusion of lighting and the addition of local art installations along the walk. The additional funding will also allow a second phase of the walk to be conceptually developed over the winter of 2012. In public meetings, the importance of connecting the downtown loop westerly to the Boulevard and easterly to the cruise ship terminal has been discussed. There is a 20% match which will be made up of in-kind services of City staff in lieu of cash. **Councilor Curcuro** asked how much was the first round which **Ms. Garcia** stated was \$500,000. She also added they knew they didn't have enough money in Phase 1. The whole of Phase 1 will be \$750,000. The design contract is only \$100,000 which gives them \$550,000 for construction. Now that they have the extra money they can afford to have the designers watch over the construction even with the DPW overseeing administering construction. Design is by no means the majority of what is being spent. There is no City money being spent except for in-kind with staff time. She showed the Committee the latest loop (map submitted at meeting and on file). **Councilor Curcuro** asked how much will be done for the money. **Ms. Garcia** stated a lot of pieces they already have been done. They're making connectors with story moments along the loop and mobile aps to them so you can tap into the whole feel of the loop. The two cross pieces

from Main Street to the Harbor Walk they're hoping to string them with vertical elements with thin lights across which she felt would enhance it. **Councilor Curcuru** noted that they are City alleys and are used for parking and expressed concern it would be a problem to get private individuals and delivery trucks to stop parking in these two particular alleys; as they now will need to be kept clear. **Mr. Duggan** stated as long as it is public property they will enforce the ordinance to keep the ways clear. **Councilor Hardy** asked about the rigging points which **Ms. Garcia** described them as looking like ships rigging and have lights that are simple to maintain at St. Peter's and at I4-C2 creating a natural gateway to the Harbor Walk about the height of a telephone pole. The poles would be about 8-10 ft. apart. **Councilor Curcuru** asked about stone on the walk. **Ms. Garcia** stated they're trying to connect up different materials and described some of the design elements to the Committee, such as at I4-C2 where they would mix the wood of the wharf with a mix of stone and then eventually lead out to all stone-like material. In many places it will be a mix of existing wood and brick and "Gloucester mix paving". It won't be a huge line but more like you always know you are on a boardwalk or realize you are on the Harbor Walk which was key to people knowing they're on it. They won't use it on Main Street in the civic center area. **Councilor McGeary** noted there will be signage along the way. **Ms. Garcia** stated the story moments will be used as way finding spots. **Councilor Curcuru** wondered if the Council would ask the same questions as they have. **Ms. Garcia** stated in this Mayor's Report for the upcoming Council packet it will have something on the off-street parking regarding the Harbor Walk and thought she could invite Cambridge Associates to the first Council meeting in July to give them a full presentation feeling it was much better than hearing it piecemeal if it was amenable. **Councilor Hardy** asked if the Harbor Walk was able to be seen from the waterways. **Ms. Garcia** stated they would definitely see it at St. Peter's Park and a clear point of entry at I4-C2. **Councilor McGeary** asked about I4-C2 and the materials to be used there. **Ms. Garcia** noted they are to be temporary materials in light of possible development of that property.

MOTION: On motion by Councilor McGeary, seconded by Councilor Hardy, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council under MGL c. 44, §53A to accept \$700,000 from the Seaport Advisory Council for the purpose of funding design and construction of the downtown and waterfront Harborwalk.

The Committee recessed at 8:22 p.m. and reconvened at 8:27 p.m.

15. *Memo from the Mayor's office on financial issues re: School Department*

With regards to the memo to the School Committee Chair, Val Gilman and Superintendent Safier from Mayor Kirk regarding School Department with end of year financial issues touching upon the excessive utilities and the \$75,000 they expected out of the operating account of the rink, the Committee discussed the matter with Mr. Duggan and Mr. Towne of the issues raised by it.

No action was taken by the Committee on this matter and is considered closed at this time.

16. *Request from School Committee for Council Support and Vote re: Charter Funding Resolution*

MOTION: On motion by Councilor Hardy, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council that the City Clerk draft a letter from the City Council in support of School Committee's Charter Funding Resolution.

17. *Memorandum from Larry Durkin, Environmental Engineer re: Loan Authorization of \$4.5 million to Fund 1st year of the Phase 3 Public Water System Upgrades*

Larry Durkin, Environmental Engineer explained that the DPW is requesting the approval of a loan authorization for the purpose of funding Phase 3 Water System Upgrades (DWSRF #3509) of \$4,567,500 which would fund the first year, which is necessary to provide safe, adequate and compliant drinking water to the City of Gloucester. The City is required to appropriate this first year Phase 3 money by June 30, 2011, in order to receive a 2% interest loan under the MA Dept. of Environmental Protection (MassDEP) Drinking Water State Revolving Fund (DWSRF) project #3509. **Mr. Durkin** stated the first phase is Phase 3A – storage tanks. The Plum Cove tank needs significant repair and is more than \$800,000 for structural repairs. The good news, in a recent inspection on the Blackburn Tank showed it had minimal painting needed. It will be balanced out. These will also most likely be solar mixing tanks at both tanks and at Bond Hill. With the chloramines it is more effective to have the mixing

systems in the tank. If it ever got to be a bad situation they'd have the equipment and system to deal with it at the tank by adding more disinfectant right at the storage tanks with superior mixing ability. **Mr. Hale** noted with the gallon size drums that they have to put in the tanks there is no good way to mix the additives in unless there are internal mixing systems. **Mr. Hale** continued when they submitted for this Phase 3 project as part of their submittal to the DEP for \$10.5 million of projects, they ranked second highest in the Commonwealth in need (Springfield was the only community rated higher than Gloucester). That is the State's commitment to the City. Once this loan authorization goes through, they need to know they have the commitment to spend the money. There will be some principal forgiveness on this borrowing. **Councilor Curcuru** expressed his concern there could be more work revealed once they start on this phase. **Mr. Hale** stated sometimes you do work and find more work behind it, like at the Babson plant. This has been a lot more detailed look. They have spent time looking at the situation. On inquiry by **Councilor Curcuru**, **Mr. Towne** stated it is similar to ARRA funds. They may have a lesser principal to pay back and therefore less interest. The short term will be in FY13 before they have to pay. There is temporary borrowing in water and sewer to cover this. The long term would be at least 18 months from now. Again on inquiry from **Councilor Curcuru**, **Mr. Hale** stated this comes up in a sanitary survey which is an inspection by the State last done in 2008. Much of what they are doing is rudimentary to the primary water system. The Plum Cove tank was installed in 1988-1990. The water quality of the tank was always poor. The boil order showed some weaknesses. **Mr. Towne** stated they only presented the CIAB with general fund information as that is what they told them that was what they were going to get. **Councilor Curcuru** noted the CIAB weren't picking up where they were at the time. **Mr. Towne** responded in October they designed the forms they wanted submitted to them. They needed to get it back to the Mayor by early March for budget recommendations. He stated this was a ramp up year; and **Mr. Hale** added that process was vacated for so many years. The last document for planning was done in 2002. A capital plan is a solution for those problems. It needs analysis for space and mechanical pieces. With the Facilities Manager finally looking beyond playing catch up, they'll be more able to move forward that way. **Mr. Towne** noted it will be 2% on long term not-forgiven principal with not so much debt coming off water and sewer. **Mr. Hale** stated this stuff has to be done. **Councilor Curcuru** noted this would be on the rate payers however. Phase 3 was originally submitted as one project. **He also** pointed out there is more to come as they have the underground pipes to replace and the canal tunnel. **Mr. Hale** stated they borrowed for the investigation. They have dams coming up also. On inquiry by **Councilor Curcuru**, **Mr. Hale** stated the rates would rise as result. **Mr. Duggan** informed the Committee the State is drafting guidelines for infrastructure work to make applications by municipalities as a grant. There are many things that could be eligible. As they shape the program it would come out in the fall; and the City would take advantage of that for the other \$5 million; and there would be no match. He wanted the Committee to know they are being pro-active as to need. **Mr. Hale** stated the boil water order showed how much needed to be done and proved to the State how great the City's need was which helped to rank them second in the State. Gloucester is not unlike other communities across the country with what they're dealing with in infrastructure issues. The City has a big infrastructure with a small population. **Councilor Hardy** asked when this would affect the water rate. **Mr. Towne** suggested in FY13 to FY14. It would be \$250,000 of a debt service payment a year, which would be 5% of the budget. This is the most effective way to borrow the money according to **Mr. Hale**. It is better than market rate. They'll start the work the minute they get the go ahead to start engineering. **Mr. Durkin** stated the project needs to be out to bid by April to be fast tracked. They're looking at six months of engineering. The forgiveness last year was 30%, and even at half would be great, stated **Mr. Hale**. **Councilor McGeary** asked what will be completed in year 1. **Mr. Durkin** stated they're working on all five phases, but perhaps the master plan. Right now the West Gloucester plant is not up to the shape as Babson with some elements being 40 years old. They have a generator that doesn't have an automatic transfer switch. He noted they're sending 30-60 million gallons to the waste water treatment plant; but if they put in a recycling system they could have that much more available in West Gloucester which would ease the situation on Essex Avenue, for just one part of the project. This allows for more water to be made available which helps to drive economic growth and more capacity for the waste water treatment plant. The payback on the recycling system would be about \$150,000 and in three years would pay for itself. Then they have the plants in good shape and maintain them which is always cheaper. Beyond that, the master plan (by a grant) will identify the priority of what pipelines need to be replaced; these are 1969-1970 plants. There'll be a building analysis of the structures. This is the type of thing that will go to the CIAB according to **Mr. Hale**. **Councilor Curcuru** thought the idea of a mega-plant is out then. **Mr. Durkin** stated that would be about 20 years out. **Mr. Hale** felt the investment in Babson with good maintenance would give them 15-20 years. Even with a mega-plant they still have to invest in West Gloucester. They spent \$900,000 for filters in West Gloucester for the original pumps. He touched upon the sedimentation equipment issues as well. When they finished West Gloucester two years ago they thought they had a good plant. But after finishing the work at Babson they realized West Gloucester needed similar improvements. The plan is to make the Klondike Plant to be an

automated facility and to be run more often as it is a good source of water. The idea would be to put the contract operator 3-4 hours a day there and run it remotely from either West Gloucester or Babson. Both **Mr. Hale** and **Mr. Durkin** lauded their contract operator Veolia. He described a vault with a valve to be put in at Dennison Street as the water gets very old there. Water doesn't flow through well and has to be drained. This remote controlled valve will control the flow to make the water be drawn out appropriately and keep the water fresh, unlike now which requires frequent drainage. They are staying on top of it; and this new system will keep the water even fresher. No matter how much you mix old water, it's old water. The age of the water in the tank is old for every hour it is out of the plant. The idea is to use the water where it is held. **Councilor Curcuro** asked about the West Gloucester system. **Mr. Hale** stated the lower Essex Avenue issue is that there is no slope to the pipe. **Mr. Durkin** stated to the extent they can minimize the impact from the plant – and **Mr. Hale** added if they can keep 30 million gallons out of the plant it is all to the good. **Councilor Hardy** asked about whether the tank at Plum Cove should just be replaced. **Mr. Hale** explained the tank is not that old. The life expectancy of the tank once repaired and properly maintained will last at least 20 years. **Mr. Durkin** noted it is now institutionalized maintenance. They'll be doing their own sanitary survey every year and stay on top of things. **Mr. Hale** added they need a local appropriation by June 30th but could let the Trust know that they have gotten it through sub-Committee. They did have a discussion several weeks ago with the Trust about this very thing. The Trust told them if it is in the works they can let it go a little bit but have to know it is moving forward.

MOTION: On motion by Councilor McGeary, seconded by Councilor Hardy, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the full City Council the following Loan Order:

Ordered: That up to \$4,500,000 be appropriated for the purpose of making improvements to the City's Public Water System including without limitation all costs thereof as defined in Section 1 of Chapter 29C of the General Laws; that to meet this appropriation the Treasurer, with the approval of the Mayor is authorized to borrow up to \$4,500,000 and to issue bonds or notes thereof under Chapter 44 of the General Laws and/or Chapter 29C of the General Laws or any other enabling authority; that such bonds or notes shall be general obligations of the City unless the Treasurer, with the approval of the Mayor determines that they should be issued as limited obligations and may be secured by local system revenues as defined in Section 1 of Chapter 29C; that the Treasurer with the approval of the Mayor is authorized to borrow all or a portion of such amount from the Massachusetts Water Pollution Abatement Trust ("Trust") established pursuant to Chapter 29C and in connection therewith to enter into a loan agreement and/or security agreement with the Trust and otherwise to contract with the Trust and the Department of Environmental Protection with respect to such loan and for any federal or state aid available for the project or the financing thereof; and that the Mayor is authorized to enter into a project regulatory agreement with the Department of Environmental Protection, to expend all funds available for the project and to take any other action necessary to carry out the project; and further to ADVERTISE FOR PUBLIC HEARING.

18. *Discussion with Community Development Director, Acting Health Department Director and School Department CFO on FY11 Year End financial procedures*

This matter was tabled.

19. *Ongoing City Financial Review*

The Committee, Mr. Towne and Mr. Duggan discussed the FY12 budget issues to date and bringing the budget to Council and how that may be done over the next two weeks.

20. *Memo from City Auditor regarding accounts having expenditures which exceed their authorization*

By unanimous consent the B&F Committee voted to end their meeting by 9:45 p.m.

Mr. Costa reviewed his documentation (submitted at the meeting and on file) with the Committee.

A motion was made, seconded and voted unanimously to adjourn the meeting at 9:37 p.m.

Respectfully submitted,

Dana C. Jorgensson
Clerk of Committees

DOCUMENTS/ITEMS SUBMITTED AT MEETING:

- **Mapping of Harbor Walk from Sarah Garcia, Community Development Director**