

CITY COUNCIL STANDING COMMITTEE

Budget & Finance Committee

Thursday, September 8, 2011 – 6:00 p.m.

1st Fl. Council Committee Rm. – City Hall**-MINUTES-****Present: Chair, Councilor Steven Curcuru; Vice Chair, Councilor Paul McGeary; Councilor Jacqueline Hardy****Absent:** None.**Also Present: Councilor Ciolino; Councilor Verga; Councilor Theken, Jim Duggan; Kenny Costa; Mark Cole; Tom Markham; Cate Banks; Tony Gross; Donna Compton; Sarah Garcia, Vito Giacalone; Dr. Richard Safier; Phil Cusamano; Vito Calomo****The meeting was called to order at 6:05 p.m. There was a quorum of the City Council. Items were taken out of order.****1. Continued Business:** (All continued business items were from the 8/18/11 B&F Agenda):

- A) Review and recommendation for the disposition of real property for the Magnolia School House (Blynman School)

Councilor Curcuru stated they just received a proposal from the Magnolia Historical Society (MHS) for the purchase of the Schoolhouse which contained two options (received at meeting and on file). His fellow committee members had not had the opportunity to review this proposal document for the sale of the Blynman School to the MHS, and would have liked to have had an opportunity to review this and have had the Legal Department to review it as well. Typically the Committee would not undertake such a discussion immediately upon the receipt of such a document. Therefore he didn't believe it prudent to take that matter up at this point. **Mr. Duggan** referred to an email from Mr. Cole (submitted at meeting and on file dated September 7, 2011) to the Facilities Manager of the costs of work necessary for the building; if the City enters into an agreement to lease what would be the financial impact of leasing the building in order to maintain it. This was also to allow the Magnolia Historical Society to look at the extent of the financial commitment. **Councilor Curcuru** noted that some of the estimates are for work to be done 'in house'. **Mark Cole**, DPW Operations Manager stated the costs noted are materials costs only. He could have Mr. Hafey put in labor costs as well and revise the estimates which the Chairman asked him to do for the record. **Councilor Hardy** asked if the building was now handicapped accessible. **Mr. Cole** responded if the MHS were to open to the general public they'd have to put in the ramp. He believed it would be the City's obligation as the landlord. **Councilor Curcuru** understood that the landlord, unless there was any agreement outside of this, the City would be responsible for all of it unless they sold it. If the lease was in place they would have to make those repairs. **Councilor Hardy** asked if there was money in the budget to address these funding needs. **Mr. Duggan** stated while there is a maintenance budget for all City buildings, but there is no funding earmarked in the DPW budget for this building; it was not done in the budget process. **Lisa Ramos**, President of the Magnolia Historical Society stated part of the reason they put in a new proposal to ask the City to sell the Blynman Schoolhouse was that after the site visit with City Councilors, they realized that there would be costs associated to get it habitable for the historical museum. They're not out to cost the City money. Their thinking was to purchase it for nominal fee, they'd take on the responsibility for all these maintenance issues. They'd already put aside funds for the handicapped ramp feeling it would be a "win:win situation". They're in great need of more space in order to preserve and protect America's oldest seaport's history. They go over and above in everything they take on in keeping Magnolia beautiful and maintained in landscape and buildings. Their proposal reflects that if the City were to sell the building to them, they would agree that if the MHS ever ceased to exist the property would revert back to the City; already in better condition than the MHS had received it. She pointed out the great volume of trash and debris the MHS had already removed from the site. The DPW does their job, but the people of Magnolia takes pride in caring for their community to make it beautiful so that tourists can come into the City and see its beauty. They are "stuffed" into a 10x12 room and are unable to protect the art and artifacts of the history of Gloucester and reiterated that it is a win:win situation and they'd take on the burden of these things. They have people who have already said they would commit to this project in goods and services. These people are not willing to put the effort forward if the historical Society doesn't own this building. The Magnolia Historical Society would now, with this purchase, have enough space to store what they need, to protect it all, and the City would not have to spend any money. **Councilor Curcuru** stated they don't dispute what the MHS does for the City, but the Committee must do their due diligence. He appreciated their coming here this evening to give an explanation. **Mr. Duggan** stated he and members of the MHS had a conversation of the concern that was expressed by the Committee of what the responsibility of the tenant

would be, and talked of the straight proposal for purchase, with two contained in the package before the Committee now. They wish to continue the discussion. **Councilor Curcuru** stated they were waiting for a cost estimate and didn't have it in hand for this evening. **Councilor Theken** noted in hearing about it for the first time, that even if they looked at the cost scenario and did it in house for maintenance, the City was not a good landlord. Here is an organization that wants to make a public use for the building. She believed this to be good for the City. The MHS would give it back to the City if they cease to exist. **Councilor Curcuru** reminded that all there was in front of them previously was a lease. He noted there are a few terrible leases out there, and they didn't want to add to it. They would be glad to review this proposal. **Councilor Verga** had an opportunity to look at the proposal a couple days ago in order to provide feedback to the MHS, and felt the Committee is right to let legal look at this first; but that it is workable and also agreed with Councilor Theken of the City's track record as a landlord. **Councilor Hardy** noted at the site visit they also said the City wasn't a good landlord and suggested at that time that they might consider a sale of the building. The MHS would fix the façade of the building and be house proud and bring it historically up to date. Her concern at this time is that they preserve a right of way to the back of the property to be sure they can get through there should there be future development. **Ms. Ramos** thought there was a paper road. **Jim Cooke**, Treasurer of the MHS stated there is a roadway and the Blynman School lot is separate. It may not be an issue. **Councilor Hardy** expressed her desire to review the document submitted. **Ms. Ramos** submitted letters from abutters to the Committee for the record in favor of the Historical Society (on file). **Councilor Ciolino** thought they wanted the MHS to be successful which would open up many avenues for financing for that group. **Councilor McGeary** was intrigued by the proposal at face value. He thought they should continue the draft RFP though. If they do go forward and sell it to the MHS that they need to have language for the right of first refusal if they should run out of money if they need to sell it. **Councilor Hardy** noted another piece of property had been sold that they had put in place that if it was not used for a certain use it was to revert by deed. **Mr. Duggan** noted going forward that this would be on their agenda in two weeks, and asked what would the Committee like from the proposer and the Administration. **Councilor McGeary** thought they might at that time discuss a preliminary purchase and sale agreement. **Councilor Curcuru** would like to find out from Legal. It would have to go to P&D and to the Assessors for valuation. **Ms. Compton** stated they'd have to do an RFP for a sale also. **Councilor Verga** suggested they also do a joint meeting if it goes to P&D with B&F on the 22nd of September. **Councilor Ciolino** thought they could forward it at Council to P&D. **Councilor Curcuru** asked that Legal be there also. This would have to go to an RFP which would go out for a month, then there would be a public hearing and then the Council would vote to accept the bid. It would be several months, perhaps by the end of the year and then it is enacted 30 days to the vote. **Ms. Ramos** noted they are in a renovation state. If they know they're going to get the Blynman School, they would get it ready for storage space. They would not spend that money there but would then invest it in their current space. **Bob Cannon** of the Historical Society noted the roof leaks and would like to get it buttoned up for the winter. **Mr. Cole** thought they could get through to December.

This matter is continued to September 22, 2011 for an embedded joint meeting at that regularly scheduled meeting.

B) Memorandum from CAO & Special Budgetary Transfer Request (2012-SBT-1)

Councilor Curcuru is to reimburse the overtime account and **Councilor Hardy** thanked the Mayor for this. This is related to Mr. Duggan's memo of July 27th for the Emergency Management Director for the power outage.

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 to transfer (2012-SBT-4) \$290.29 from Mayor, Contingency/Emergency, Unifund Account #101000.10.121.57800.0000.00.000.00.057 to Fire Department, Sal/Wage-Overtime, Unifund Account #101000.10.220.51300.00000.00.000.00.051.

Mr. Duggan noted that 2012-SBT-1 is now withdrawn.

MOTION: On motion by Councilor Hardy, seconded by Councilor McGeary voted 3 in favor, 0 opposed to strike from the B&F agenda 2012-SBT-1 and to retire that Special Budgetary Transfer number.

C) Memorandum from City Auditor re: creation of new "Agency Fund" (Fund 890000)

Mr. Costa gave the Committee information on Chapter 13 – Fiduciary and Permanent Funds from the Uniform MA Accounting System (see Documents Submitted at Meeting for a complete list) along with his memo that was in the Committee’s packet which he reviewed with them noting this is common practice in other communities.

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 establishment of an Agency Fund to be used to account and report the resources where the government is acting as an agent for the funds to Account #890000.

D) Communication from Gloucester Rotary Club re: Stage Fort Park

Sal Frontiero, President Elect of the Gloucester Rotary Club stated he submitted a letter dated August 11, 2011 to the Council and copied Attorney Egan. He reviewed that letter with the Committee noting for the Rotary Club’s 100th anniversary they decided to renovate the Stage Fort Park playground which they did through fundraising and CDBG funds and then did substantial repairs and renovations to it. They worked with the City Engineer’s office and the DPW also. Since then a plaque has been installed there. It is the opinion of the Club that the park is firmly linked with the Rotary which they take great pride in. However, when something breaks, the public calls the Rotary. After the completion of the playground’s renovations, most of the equipment was gifted to the City. Since the completion of the project they have had periodic ‘maintenance days’ which involved the City as much as they could. They want to continue to do this; and have done repairs that went beyond the scope of the approvals submitted on pre-existing equipment. They wish to continue to do that. If someone gets hurt on the playground or on the equipment, they believe they are left open to being involved in a law suit. Given that municipalities have immunity from liability based on the Torte Claims Act and the Recreational Use Statute, they propose to ask the City to offer them indemnity for the repairs. Built into that would be a process whereby they would notify the City anytime they want to do a repair giving the City the opportunity to review their proposal when they wish to do repairs, inspect the work before and after, place reasonable restrictions on it, so that they would not ask for indemnity without having the City involved in the process. It was their hope this would lead to a partnership between the City and the Rotary Club for years to come for maintaining the park. This project is unusual and so that they are taking this extra step in asking the City for indemnity for any liability they would have for repairs to the playground and its equipment. Councilor Curcuru inquired if the City Solicitor had indicated a response on the Club’s letter. **Mr. Duggan** stated he did not, but the City can’t expect that the Rotary Club or any organization that does that kind of an effort to do such an enhancement should take this on. **Councilor Curcuru** stated if they move this forward they would need something from Legal for the City Council meeting of September 13th. **Councilor Hardy** discussed some of the points in the letter on page 3, with regard to the first complete paragraph composed by **Mr. Frontiero** to express her concern with some of the language contained in it. **Mr. Frontiero** stated the Rotary Club is willing to work with the City and change anything in their agreement as the City sees fit; that the letter was a proposal as a starting point and expected the process to be more detailed.

MOTION: On motion by Councilor Hardy, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed to forward to this matter to the City Council without a recommendation pending a written legal opinion from City Solicitor, Suzanne Egan.

E) Memorandum from CAO re: Memorandum & Request for Proposals for Lease and Development of 65 Rogers Street (I4-C2)

Tony Gross, Chair of the Waterways Board declared there was a quorum of the Waterways Board present. **Councilor Curcuru** stated that at last evening’s joint meeting the issue of a letter in the RFP the Waterways Board submitted and that there was an amended letter they didn’t know about and one they got one this evening noted to be approved 9/7/11 by the Waterways Board. **Mr. Duggan** noted one received last evening (on file in Joint P&D and B&F Meeting Files) was a drafted suggestion which Ms. Banks brought to their Board meeting last evening. **Mr. Gross** stated the first paragraph of the letter now approved by them on 9/7/11 (submitted at meeting) has a couple of new sentences but is substantively is the same. They would now go with that letter moving forward. He shared that they had a public hearing; and the letter reflected the sentiment of the majority of the people in attendance at that hearing. When the \$800,000 was requested from them to buy the parcel, they were assured there would be no dockage issue for the current tenants to be concerned about. However, that was in the infancy stage of I4-C2. Those docks were turned over to them by the Gloucester Redevelopment Authority in 2008. They haven’t had much

chance to think about this parcel either. **Councilor Curcuru** noted the \$800,000 was part of the Seaport Bond to purchase the property. He was unaware of a guarantee but he understood there were assurances made. **Mr. Gross** clarified that the boats there wouldn't be asked to leave. He granted that the letter could have had a more positive spin to it. **Councilor Curcuru** read the third paragraph: "During this process the Board is taking into consideration the existing and future needs of the Gloucester fishing fleet along with the potential water dependent need of upland development. The Board is considering whether uses such as a launch service boat, harbor shuttle boat or a 35 to 45 foot research vessel would be an appropriate mix for this location." This current agreement or assurances is that no one would be displaced and asked why this wording is in the approved letter of 9/7/11. They were talking about increasing the dockage, which **Mr. Gross** concurred. He read further, "Due to traffic and parking limitations, the Board is in agreement that larger research and excursion vessels that generate high foot traffic, automobile parking needs and security/safety issues are not considered an appropriate mix at this site." He asked if they did a traffic survey on this. **Mr. Gross** stated they deduced that if they added 90 people or so twice a day that it would impact the downtown, but hadn't done a traffic study. **Councilor Curcuru** inquired of Councilor Ciolino, Chair of the P&D Committee when applicants come before them, didn't they usually have traffic studies done as a part of the permitting process, to which **Councilor Ciolino** responded that they do. He also believed a whale watch boat can be there by right in the MI district. **Councilor Curcuru** expressed his understanding but didn't think the Board had the knowledge to make this assertion on the traffic. **Phil Cusamano**, Waterways Board stated those numbers are from a large excursion boat such as a whale watch boat suggested in the RFP; a whale watch boat would generate 90 cars per trip. If they come in and want to shop downtown, the cars would remain there. Now the afternoon boat load would come in and those cars would have no where to park. **Councilor Curcuru** stated they knew the developer would not put in additional parking to take the overflow which **Mr. Cusamano** admitted he didn't know that to be a fact. **Councilor Curcuru** then pointed out if they do additional dockage there, they're not displacing anybody. **Mr. Gross** stated they wouldn't get 8 or 9 more spots if they put in a larger vessel because it would take away the ability to put in finger piers; that they'd lose half of their dockage. **Councilor McGeary** clarified it would be half of their additional dockage which **Mr. Gross** confirmed that they do know this that it would be cut down and is why it is in the letter. **Councilor Curcuru** expressed concern in that they don't know who will be there. If they write a letter like this it is handcuffing the RFP and that it had been suggested to him that it was about competition. **Mr. Cusamano** stated that it is not a new company coming in for whale watches; it is about one shifting down there. They touched upon the safety of the equipment at the docks there also. **Councilor Curcuru** stated they can't have tunnel vision. They made a decision. **Councilor Ciolino** stated he was the first one to voice that he had a problem with the original letter; that it is too specific; that it needs to be general and upbeat. The details will come when they get a proposal. The last part of the letter is all negative. A developer will wonder if they will have trouble with these people. **Councilor Curcuru** asked whom the Board represents. **Vito Calomo** stated the City of Gloucester. **Councilor Curcuru** expressed it is the whole City and it doesn't seem like that in this letter. They're trying to develop the City. This letter says stay away. **Mr. Gross** stated the development of this spot which has been used for a traditional use. The reason for the specificity is that there is no plan in front of them; and was what generated the need to be more specific because they have no say on the upland part. **Councilor McGeary** felt that the parcel is already under heavy restriction and by adding more restrictions to it they do have impact on what happens on the upland part as the upland part may have a need for a legal water-dependent use in order to make the upland part work. He felt this was putting a "shot across the bow", essentially. He assumed that if someone who made a case for the City and it depended on a whale watch boat that would be good for the City, they would consider it. But what they're saying as of now this is our general opinion. **Mr. Gross** agreed, without having anything to work with. Councilor McGeary explained that Councilor Ciolino's point is that it is a shot across the bow and would be negative. **Mr. Cusamano** stated the reason for the language is that the RFP specifically mentioned a whale watch boat; otherwise that never would have been in the RFP. **Councilor Curcuru** stated that if the Council hadn't put that in, they wouldn't have put that in, and to him it didn't make sense. **Mr. Cusamano** responded the RFP doesn't mention commuter or ferry boats. Those are all legal. In the RFP, it doesn't mention all the other things that can go in there. He urged mentioning all of them and then removes whale watch boats. If they mention only one, it appears as an endorsement. If they mention every one of them, he would be fine with that. **Sarah Garcia, Community Development Director** stated the RFP does mention several kinds of boats and pointed out that **Mr. Cusamano** was a part of the committee. The development objectives note this and she read that portion, on page 6 of the RFP as published to prove her point. **Councilor Theken** noted that they follow their Traffic Commission's recommendations in O&A. They're supposed to listen to the advice and recommendations from the Waterways Board who has come before them with several different meetings to voice several different objections and wondered why they aren't listening to them. She didn't understand why they are racing to put this forward this evening. There were questions like, is this about existing dockage or are they going to make new dockage. **Councilor Curcuru**

stated and **Mr. Gross** confirmed they are talking about new expanded dockage not displacing anyone that is there. **Mr. Gross** stated there is a fear. **Councilor Theken** reiterated the existing dockage is going to stay as is. She then inquired how much commercial dockage there is currently, and was informed it is now 12. The Councilor stated then they are guaranteeing with this RFP that those 12 people are not going to be displaced. **Cate Banks**, Waterways Board stated they have a waiting list for those dock spaces and expressed concern if any of those people leave then what happens to their fishing industry that are waiting to go in there. Are they opening the door so that when those people leave a developer can take that spot? Councilor Curcuru stated an empathic "No". That was the understanding that those spots will go for commercial fishing vessels. They don't have a problem with that. **Councilor Theken** wanted it in writing. Her concern is when she is told there's no port and is disappointed that the City, including the Fisheries Commission has not gone to the State to expand their Fish Pier. She reiterated she wished to see in writing that no matter what RFP goes out; the 12 dock spaces now there will always be used for commercial fishing vessels, not charter boats or whale watches, but licensed commercial fishermen for existing docks. As one leaves, another like commercial fishing vessel will replace them. **Mr. Duggan** interjected that the existing dockage is in the control of the Waterways Board. **Councilor Theken** didn't care what the Waterways Board will do or not, they are complaining about their letter. Again she insisted she wanted in writing that if one of those 12 boats vacates then another licensed commercial fisherman takes their place at that slip. It needs to be left alone. **Mr. Duggan** spoke to the point of making sure it is in writing, he pointed out that it is on page 7, paragraph 6 under dockage. "The Waterways Board does not expect to make available the existing dockage to meet the upland needs of the property. Since the redrawing of the harbor line in 2004, however, the Board has the right to extend the piers to the new line. If the piers were extended to the maximum permissible extent approximately 8 new 40 ft. docks could be created for consistent uses with the current commercial fishing use." It has to be compatible to the operations of the area of both existing and potential future proposed dockage. **Councilor Theken** asked then why do they need to put in parentheses "whale watch boat". **Mr. Duggan** expressed they would expand the description with what other activities they want to include in the RFP which the Chair of the B&F Committee agreed with also as did the other Councilors present. Councilor Curcuru confirmed they are in agreement that that phrase goes away in the Waterways Board letter. **Mr. Gross** confirmed that the Waterways Board needed to have a meeting to confirm that back to the Committee. **Mr. Duggan** noted that at the previous evening's meeting it was pointed out that the Chair of the Waterways Board is part of the team that reviews the proposals coming in and making a recommendation to the Mayor; feeling that the voice is there. **Mr. Gross** thought the best way to proceed is to have all the divergent opinions to come together is to have a working meeting between Councilors, the Administration and the Waterways Board, perhaps three of their members would be available but was not certain how quickly they could have this meeting. **Councilor Hardy** thought it important they meet with the Waterways Board before they release the RFP so that they're all in agreement as to what else is going to hit the street in the RFP so that they don't do all this work and encourage a developer to submit bids; have their special City Council permits in order; then get to the end, and now the Waterways Board has an issue with it. She urged that they all agree and then move forward. On November 15th and 16th there will be a summit held in Gloucester by the US Department of Commerce's Economic Development Administration, also sponsored by MAPC, the City and Citizens for Gloucester Harbor which is a symposium where they might learn of more opportunities they might be able to include in the RFP from the EDA. It is important to use this as an opportunity to include; they might be groundbreakers in some things that come out of the summit; and wished to continue this matter until after that summit to have time to work with the Waterways Board and have it come before P&D and have it in front of the City Council before it adjourns for the year. **Councilor Curcuru** was at the public meeting about transient boats and asked about it. **Mr. Gross** stated they have a proposal for a floating dock facility inside the anchorage (in front of the State Fish Pier). They have talked to the Army Corps of Engineers and have their initial blessing but there are still hurdles to go through including public input and from the Council. It was not considered in that area because it is not legal, according to **Mr. Cusamano**. **Councilor Curcuru** noted a letter of June 17th from Ms. Garcia about 10A floats. **Mr. Gross** pointed out there is a difference between Chapter 91 and 10A float permits (10A float permits are a one year permit for temporary floats and **Ms. Banks** expanded that 10A float permits are renewed on an annual basis unlike Chapter 91's where you get your license where it can be for 10-15 up to 99 years. Every year they have to get permission from the Harbormaster and that there is no security that they can have it the following year. All of the moorings are a 10A permits. She believed what was in the letter Councilor Curcuru referred to, the bottom anchored floats are 10A which they can have for transient boats in the DPA as long as it is not attached to shore. They couldn't add it to the I4-C2 Harbor Cove marina. **Ms. Garcia** clarified that there are no regulations prohibiting attaching the floats. She had clarified that for the Waterways Board. She sent the request to DEP Waterways; and they confirmed her understanding. There were further questions posed by the Waterways Board back to the DEP. They don't like what if scenarios. The problems they're all having with the RFP are with the what-if scenarios. No one, she contended,

knows how to answer that. Everything is in context. A whale watch boat that displaced a fishing boat would not be OK. A whale watch boat that did something beneficial to the fishing industry might be OK. In this RFP they tried to be very open to permissible uses within the rules and regulations. The DEP is the same way. The 10A floats have regulations and the Harbormaster is the enforcer of that, and they are in black and white to read in those regulations. DEP has given as much guidance as they can. **Mr. Gross** stated his questions on the bottom of the memo were not forwarded and they were straight scenarios. **Ms. Garcia** stated they were forwarded but her experience has been that the DEP doesn't answer what if scenarios. **Councilor Curcuru** stated they need to have transient boats and they give the impression that the Waterways Board does not wish to compromise. He heard no transient boating in the DPA. The system they want to put in is out there and would be significant but would require the boat to be serviced by a launch service. They would dock and go into town. He explained his father was a commercial fisherman and that he believes in fishing but they need to co-exist. He heard a fisherman saying he didn't care about transient boats. But what about a restaurant owner or shop owners on Main Street. It is a complete city. It is not just the fishermen. The word coming out of the Waterways Board doesn't say that. **Mr. Gross** stated they have miles of privately owned waterfront and need to get access; and by getting those questions answers it would help clarify some of their issues. **Ms. Banks** stated the Waterways Board looks at the entire harbor and looks at those areas not used like Vincent's Cove. They have Homeland Security issues with some of the homes there. If they take bottom anchored floats can they attach them to pilings at Gorton's, and posed can they get permission from the electric company to put ramps there. **Councilor Curcuru** noted they need to move forward there. **Mr. Gross** noted they are a volunteer board and they need to utilize the City's professional staff in this pursuit. **Councilor Curcuru** suggested the Board could dedicate some of their monies to get studies done. **Councilor Theken** stated they need a working committee. They are in agreement that they need transient boats. Because of neglect from years past, they need to keep what they have in existence. They are saying they have a new Waterways Board chair; they've done a lot more since he came to the fore. They have active people; they're looking to add two economic development people by ordinance to their Board. The project that she saw that they want to come in for the transient marina is great. She asked for a joint meeting to this through and get this done. They do want economic development and didn't want to see it rushed. Why not give it one more try with all of them together to put together an RFP they can all support. **Councilor Curcuru** stated they would change the language and **Mr. Duggan** noted the language would be included in the RFP. **Mr. Gross** felt they could have a special meeting. **Ms. Garcia** stated there is no public hearing for the RFP nor does it require a Council vote. **Vito Calomo**, 82 Holly Street is representing himself on the Waterways Board this evening although is affiliated with Sen. Scott Brown, and that affiliation had nothing to do with his attendance. He stated they must realize there are many fishing vessels from the north and south that want to come to Gloucester and could use up those new spots at the docks. They still have an ice plant; Massachusetts doesn't tax fuel for the fishing industry; and they accept lobsters from fisherman with no pots; and are close to the fishing grounds on the Atlantic. Those new dockage spots would bring revenue to Gloucester. It is about the ice company, the railways companies, and the grocery stores. Tourists come to see a working waterfront. Restaurants in Gloucester were jammed this year without additional dockage. He is in favor of the floating dock off the fish pier. There are other places in the harbor they could do that though and should be hooked to the land. **Councilor Curcuru** agreed with Mr. Calomo but that the problem is that they've been stagnant for years and need to move forward. When he goes to a meeting and hears emphatic statements he is discouraged. **Mr. Calomo** continued they want additional spaces which is a good part of Gloucester. They've been to several meetings to get it done and that is an important part of the Waterways Board thinking. The 12-14 vessels currently there are nervous. He was more confident that there are assurances on the spaces will be there. They could fill those new spaces with commercial fishing vessels. **Mr. Duggan** spoke to the position of continuing this matter. He asked how many meetings there have been on I4-C2. **Ms. Garcia** stated in January there were 4 meetings and her committee met several times and published the draft for public comment. **Mr. Duggan's** believed to continue this matter until after the summit would not accomplish anything as there are no changes that he could foresee as a result of the summit. **Councilor Hardy** asked how he knew that. **Mr. Duggan** stated this has been vetted through the public process over the course of months. The Mayor said last night it that it is to be one of the tools to market this property going forward. He understood the councilor's disagreement with that position but has vetted this through the public process. **Councilor Hardy** noted in a memo from Mayor Kirk from September 7th informing them of a grant opportunity that she'd like the City to take advantage of for a New Maritime Port Economy Summit to be sponsored by the US Dept. of Commerce's Economic Development Administration, the MAPC, the City and the citizen's group, "Citizens for Gloucester Harbor". The Councilor then read from that memo: "...We are at a strategic point at our City's development. The fishing industry and tourism remain as important components of our harbor-based economy; however, they are not, by themselves sufficient to sustain growth and redevelopment in the harbor area." The Councilor thought that this summit will be a perfect opportunity to find something to incorporate into the RFP. For

the reasons outlined in the Mayor's memo of the 7th, she thought it a great opportunity to go and take advantage to have someone from each Standing Committee attend. In the meantime they could be working with the Waterways Board to come to an agreement to have no surprises at the end. They have waited this long, postponing it to then would not be long. To that end the Councilor motioned to postpone the matter of Memorandum from CAO re: Memorandum & Request for Proposals for Lease and Development of 65 Rogers Street (I4-C2) until the summit is concluded, which **Councilor McGeary** seconded. **Councilor McGeary** made the following statement for the record:

"The city will shortly begin seeking proposals for an undeveloped property which it owns on the waterfront. As a private citizen, I have been trying to interest people in bringing an aquarium and research center to the site. I requested an oral opinion last winter from the State Ethics Commission on whether it would be proper for me to debate the issue and eventually participate in the council's selection process. I was told at that time that I could as long as:

- 1) I was not an officer of any organization or entity attempting to develop the site.*
- 2) Neither*

I nor any member of my family had any financial interest in any proposal or entity advocating a proposal for development of the site. I state for the record that both of these conditions are true and I do not anticipate that I will need to recuse myself from any deliberations or votes on this issue now or in the future."

Councilor McGeary continued by recounting that one of the first stories he wrote 30 years ago for the Gloucester Daily Times was on I4-C2 feeling he could dust it off and it would have read perfectly well. The Mayor's memo refers to "... identifying broad and specific opportunities within Gloucester towards the development of a maritime economic cluster, identifying obstacles/challenges to seizing these opportunities along with identifying potential solutions and building general consensus around the vision for the maritime economy in Gloucester and the City's niche within it..." It seems if those are the stated goals of that summit, it could very well have an impact in spite of all the work they've done in developing the RFP and cause it to be tweaked, to add or remove language. He didn't want to see it postponed to wait to November and wait 18 months for a study. Perhaps ideas generated right at the summit might impact the final RFP, it's been 45 years another month and a half would not be "a killer" with the proviso that it's not OK to year 46 or 47. **Councilor Curcuro** didn't agree that it would change anything and would be inclined to push this forward and get it onto the street now.

MOTION: On motion by Councilor Hardy, seconded by Councilor McGeary, the Budget & Finance Committee voted 2 in favor, 1 (Curcuro) opposed consideration from the CAO, dated August 3, 2011 regarding the memorandum and Request for Proposals for Lease and Development of 65 Rogers Street (I4-C2) until after the November 15 and 16, 2011 New Maritime Port Economy Summit sponsored by the U.S. Department of Commerce's Economic Development Administration and MAPC, the City of Gloucester and the citizen's group, "Citizens for Gloucester Harbor", so that they may seize upon potential opportunities and identify additional economic maritime opportunities that may be incorporated into the proposed RFP.

The Committee discussed the merits of postponing the issue or not. **Ms. Garcia** noted that in terms of what comes out of the summit is very consistent how they've scoped the maritime industry. It has been a process all along and that this was a real marketing opportunity tool to have this out there to have those attending the summit to crystallize their thoughts. She felt having the RFP out on the street makes for a more real conversation than what if scenarios. They were looking to get the RFP out October 15th that to have the Council on board to use this for the maritime economy. **Councilor Theken** agreed one member from each Standing Committee should attend the Summit. They can still start meeting now with the Waterways Board. If nothing comes out of it they're ready to go. It doesn't say they can't present something at the Summit too. They're in September and have it ready to go, they can still present something there that they're all in agreement with, and if there are any more changes they can at the B&F meeting the next day and have it go forward. **Councilor Curcuro** asked they get some accurate information on transient boats. **Mr. Gross** would take that on. He felt it was a big piece. **Ms. Garcia** stated a 10A float is a yearly permit. The City which gives its own permit, gives much more flexibility. **Mr. Gross** stated there is a big difference on the return on investment. They're talking some time from now (for the floating dockage). **Mr. Duggan** agreed it would be a much longer timeframe. **Mr. Gross** hoped that there would be no cost to the City and that there is a big grant for this and Seaport Bond money for it also. The Committee asked that all options be kept on the table.

Councilor Ciolino and Councilor Verga left the meeting at 7:45 p.m. There was no longer a quorum of the City Council.

Mr. Gross stated that the Waterways Board should read the RFP and discuss questions they may have. They will review it with an eye to what is in their jurisdiction and express any concerns they may have. **Mr. Duggan** stated it still comes back to a negotiation between the Waterways Board and the developer. There were plenty of public meetings while developing the RFP for the development objectives. **Mr. Gross** wanted to work together to come to a like mind. **Councilor Curcuru** didn't want them to think anyone was pointing a finger at the Waterways Board. **David Anderson**, 16 Middle Street stated he did a traffic study, as the merchants downtown were concerned. The average number per whale watch trip is 31 vehicles, 22 on average; the most is 45. Seldom, he claimed, are there 90 cars per trip. He spoke to the owners of these boats. He is also concerned about the parking. It is not 90 and another 90 which he also claimed has never happened. They have to be mindful of how long I4-C2 has sat there. They can't afford to sit for more years to not generate money when the City's infrastructure is falling apart. He pointed out the example of the City of Salem which has committed \$29 million to their waterfront. The City of Lynn has committed \$18 million to that end. If they're looking for developers, he believed they have a long way to look. Boston can't get projects off the ground. **Councilor Theken** thanked the Councilors for putting the RFP on hold. She urged the Committee and the Board that they need to work together to make this successful and get it done right in order to stand by a developer who comes forward.

Councilor Theken left the meeting at 7:55 p.m.

Mr. Calomo noted the Waterways Board is being pictured as being against what is going on in I4-C2 and stated that is not true.

This matter is continued to November 17, 2011

The Committee recessed at 8:00 p.m. They reconvened at 8:05 p.m.

2. *Special Budgetary Transfer Request (2010-SBT-2) from Legal Department*

Mr. Duggan explained this that the wrong account was used in order to pay for temporary help while the Legal Department's paralegal was on vacation. The funds are needed to correct the error.

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 to transfer (2012-SBT-2) \$360.00 from Contractual Services, Unifund Account #101000.10.151.52000.0000.00.000.00.052 to Sal/Wage-P/T Pos Unifund Account #101000.10.151.51250.00000.00.000.00.051.

3. *Memo from CFO-Gloucester Public Schools re: approval of the FY2012 School Food Service Program Budget*

Councilor Curcuru stated for the record that his sister is an employee of the public schools food services. **Tom Markham**, CFO for the School Department and Dr. Richard Safier reviewed for the Committee the memorandum submitted to them (on file) regarding the proposed FY12 budget proposal for the School Food Service and is seeking Council approval for it. It is posted against, once approved, the Food Service Revolving Fund. They have had a year running the food service account on a cash basis and were successful. As they move into the next year, and with a number of communications with the Auditor's office, are representing the budget as they see it. They also included some results from the middle of August which are unaudited results but are reflected by their books.

Councilor Curcuru noted that last year's business plan fluctuated a great deal and asked when the Point Of Purchase system went into place (a computer swipe card system). **Mr. Markham** stated it went into place on a rolling basis through the school system in February and had it complete in the last quarter of the fiscal year.

Councilor Curcuru pointed out this system doesn't discriminate on free or reduced lunches and parents can put money on the accounts; and the software is compliant for the State to receive the information. **Dr. Safier** thought by removing the stigma of the subsidized lunch programs, it would help to put more children into the free lunch program. They have to budget for it, according to **Mr. Markham**, and speaks to why last year they had a budget that was fluctuating. They had overestimated their receipts both in terms of cash sales and free and reduced lunch. As they got into the six month point they had a conversation to reduce the budget down. The food service account had never had a budget attached to it. **Councilor Curcuru** noted there were significant changes in payroll and sales are the same. **Mr. Markham** noted that in each of the columns are the actual results for FY10 and the approved budget for FY11; they figured it would be better to leave the budget in place even though the budget was only approved by the School Committee. Then there are actual results of FY11 and the proposed FY12 budget. Cash

sales are relatively insignificant and are predicting reduced amounts. **Councilor Hardy** asked what cash sales are. **Mr. Markham** clarified it is an actual cash transaction for the food. Their goal is to reduce cash sales but didn't think they'd ever get away from that but are encouraging people to do the transactions on line. Government reimbursements have had a significant change there as well which has to do with actual reimbursements. **Mr. Markham** in response to **Councilor Curcuru** stated that enrollment projections show a downward trend. The Committee and Mr. Markham with Mr. Costa and Dr. Safier's participation reviewed the statistics provided in the agenda packet by Mr. Markham in a memorandum to the Mayor. **Councilor Curcuru** asked if outsourcing of food service and transportation has been looked at. **Mr. Markham** stated in his time here it is not something they have explored. **Councilor Curcuru** thought going through the steps with the rising health care and fuel costs this could save money. **Mr. Markham** noted his experience previously had had mixed results as it had around the state noting there is a fair amount of overhead that comes with outsourcing. **Councilor McGeary** thought busing had been outsourced in the past. There was a discussion of communities who outsource these things successfully with a great savings to the communities. **Mr. Markham** stated it is their goal to make a contribution towards health insurance. They have many part time employees in food services. They have reduced the number of food service staff by about 13 people. With the layoffs they realigned staffing around the school system and worked in partnership with the union with a lot of bumping involved. They effectively put every job out to bid. It was a very detailed process but it worked out well in the end and appreciated the union's cooperation. They have two full time people district wide and 19 part time employees that vary between a high of 5 hours per day to a low of 2-3 hours per day. They don't anticipate making any contributions towards health insurance in FY12. They anticipate the cost of food increasing as well and will anticipate participating in a collaborative for food purchasing of other schools. There was a discussion regarding the actual food costs and their potential increase from a number of factors. They hope that even as enrollment declines that they see an increase in food service participation. They are adjusting menus that is not only compliant but more youthful oriented; making the places more physically attractive, reorganizing the lunch lines. It helps streamlining to the purchase of lunch. They are going into healthier choices also. It also costs more money by and large. There are smaller portions. A fair amount of food waste and that is something their new food service director has had some staff being trained to look in the barrels to see what is being thrown out to gauge what to purchase and what not to purchase, for instance. **Mr. Markham** noted their staff training that they aren't preparing as much in the first place. The Committee continued to review line items of the budget with Mr. Markham discussing things such as improved inventory control and ways to increase participation in the school lunch program. **Mr. Markham** expressed his appreciation for the support of the Auditor's Department to make sure there were no deficits. The FY12 budget before the Committee is proposed to be a break even budget which he thought reasonable for this sort of budget. **Councilor Curcuru** asked about the \$22,800 remainder of funds which **Mr. Markham** noted it is the fund balance for the new fiscal year. **Mr. Costa** looked at that as more of a safety net or contingency within the revolving fund. They have expenses in July and August with very little income which is why they need that cushion. On inquiry by **Councilor Curcuru**, **Mr. Markham** wouldn't make a recommendation to adjust the budget, but to adjust the actuals if they are having a problem. There was a discussion of the school's relationship with Pathways for Children and more about the Point of Sale system and what would happen if they needed to upgrade that system; how it would be paid for, as well as how it is currently maintained in-house. The hardware was purchased with the software the previous year. If the company came out with a mandatory upgrade, they'd have to figure where to pay for that out of the revolving fund or elsewhere. **Mr. Costa** asked if they have the School Committee's approval. **Mr. Markham** would email a copy of the minutes for the Committee's file as well as to Mr. Costa. **Councilor McGeary** thought by tracking inventory on a school-by-school basis to be appropriate. **Councilor Hardy** asked if they see the Point Of Sale system as a tool for statistics to base their decisions on which **Mr. Markham** noted it did in large degree. **Mr. Markham** commented between the focus they placed the previous year and the appreciation of the actuals that were pretty different than the FY11 budget, they had a better basis for the FY12 budget. It has been 7 or 8 years since Food Services was in the black. **Dr. Safier** noted this budget is reported out to the School Committee each month. **Councilor Curcuru** asked that they continue to update the Committee and appreciated their report this evening. **Councilor Hardy** appreciated the detailed information in making it understandable to the Committee. Both **Councilors Curcuru** and **McGeary** expressed their appreciation for the efforts in order to take the Food Services into the black.

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 to appropriate \$1,130,781.00 (One Million One Hundred & Thirty Thousand & Seven Hundred & Eighty-One Dollars) for FY2012 operating costs of the Gloucester School Food Service Program and \$1,130,781.00 (One Million One Hundred & Thirty

Thousand & Seven Hundred & Eighty-One Dollars) for estimated receipts from fees charged to users of the services provided by the Gloucester School Food Service Program in accordance with MGL c. 44, §53E.

4. *Special Events Permit Form re: Filing Fee*

The Committee heard from the Clerk of Committees as to the compilation of the newly approved Special Events Permit Application and reviewed a memorandum (on file) submitted to the Committee regarding several other communities and what they charge for various events, and if they had similar forms to be filled out. **Ms. Jorgensson** also responded to the Committee's questions on permitting process, the increasing number of special events taking place in the City, as well as the time consumed by City staff for these applications for permits. The matter of the fee was postponed until the Committee had time to review more documentation.

This matter is continued to October 20, 2011.

5. *Memo from City Auditor regarding accounts having expenditures which exceed their authorization And Auditor's Report*

Mr. Costa reviewed his documentation with the Committee which was submitted at the meeting and on file.

A motion was made, seconded and voted unanimously to adjourn the meeting at 9:25 p.m.

Respectfully submitted,

**Dana C. Jorgensson
Clerk of Committees**

DOCUMENTS/ITEMS SUBMITTED AT MEETING:

- Blynman Schoolhouse Proposal: A Proposal to: City of Gloucester from: The Magnolia Historical Society regarding the sale by the City and the Purchase by that organization
- Two emails in support of the Magnolia Historical Society to obtain the use of the Blynman Schoolhouse from the City of Gloucester
- Email originated from Mark Cole, DPW Operations Manager regarding estimates for repairs to the Blynman Schoolhouse dated September 7, 2011
- Waterways Board revised letter for inclusion in the 65 Rogers Street RFP approved 9/7/2011 by the Waterways Board
- Letter dated June 8, 2011 to Ben Lynch of the DEP Waterways via email from Sarah Garcia, Community Development Director
- Memorandum by Sarah Garcia dated June 17, 2011 regarding 10A Floats in the DEP
- Uniform Massachusetts Accounting System – July 2011: Chapter 13 – Fiduciary and Permanent Funds pg. 223
- Fiduciary Funds: Statement of Fiduciary Net Assets, June 30, 2010 – City of Gloucester
- Fiduciary Funds: Statement of Fiduciary Net Assets, June 30, 2010 – City of Wellesley
- Fiduciary Funds: Statement of Fiduciary Net Assets, June 30, 2010 – City of Newton