

CITY COUNCIL STANDING COMMITTEE

Budget & Finance Committee

Thursday, October 20, 2011 – 5:00 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: Kenny Costa; Jeff Towne; Dr. Richard Safier; Tom Markham; Nancy Papows; Tim Good; Bethann Godhino; Gary Johnstone

The meeting was called to order at 5:03 p.m. Items were taken out of order.

1. Continued Business:

- A) Discussion and Review with Richard Hingston, Giusti & Hingston re: FY2010 DESE Report and findings (Cont'd from 09/22/11)

Dick Hingston, of Giusti & Hingston reviewed with the Committee his company's audit of the FY2010 DESE Report and findings (report on file). Mr. Hingston stated the end of year report DESE Report is their primary analytical tool to determine per pupil spending, Chapter 70 spending etc. and put out the data out. That is what they use this information for. They want to ensure consistency. The Schedule A is prepared by the City Auditor. The DESE report only ties into total expenditures in one place. They report them in different ways. It is hard to know if it has been done correctly because there is nothing to balance it to, unlike, say, the General Ledger. This year is probably the best report they've had in a number of years with fewer findings. There are general and specific requirements which he described to the Committee (see page 2 and 3 of the report). **Councilor McGeary** thought this was a structure of the accounts and that they are working on that trail. **Mr. Costa** thought the chart of accounts needs to be worked on and is a multi-year project. He spoke with Mr. Hingston about the chart of accounts. For the School side there are object codes which are very different. They still have to "eye-ball" certain things also. **Mr. Costa** noted the City side has object codes which they are refining. **Mr. Hingston** noted there is no easy fix for the School side. **Mr. Hingston** stated some of this also goes back to budgeting people in codes that are no longer a part of the DESE report. Some people, like crossing guards that are budgeted from the transportation function and that the DESE has it in a different function code and that they should look to budget according to those numbers. He suggested that if there are certain functions that are not right they can crosswalk them (a link between account A and account B). It can be done in an automated fashion. They also spoke of how it could be done in Budget Sense (a software function of Unifund). They tested statistical data on Schedule 7 and the expenditures. There used to be a reimbursement for students over a mile and a half. That hasn't happened regardless of distance for 8-10 years. The DESE is still looking to get that reimbursement for the schools, and wants to have these schedules in case it comes forward that the State can reimburse them. They were unable to test for this. The allocation was based on percentages. **Mr. Markham**, in response to **Councilor Curcuru's** question that they use 2 miles not 1.5 miles. They have all students recorded as 2 miles and over. That is some in-house work they need to do to take it down to 1.5 miles. Mr. Hingston stated there were a lot of findings on this particular issue. As to Specific Requirements, the first part relates to revenues. They test General Fund Revenues and special fund revenues. General Fund revenues were fine. There were only a couple of lines they couldn't find back up for (see Page 5). Expenditures were, in his opinion, the biggest improvement. They test by program, by function and state objects (see findings on Page 6). For the most part expenditures were reported well. On the bottom of Page 7 he noted expenditures made on behalf of cities and towns and there has to be an agreement in place as to methodologies is to be used when allocating these funds. In the agreement there is a place for administrative costs, the methodology was a per pupil costs (about \$105 per student). That number was not included in the expenditures. He believed it was just a miss. It is a long time since the agreement has been drawn up and that it hasn't been reviewed since 2007. He felt that every three years it should be looked at. **Councilor McGeary** commented it was especially important now that the City has taken over the maintenance of the schools, which **Councilor Curcuru** and **Mr. Costa** agreed with. **Mr. Hingston** stated if they're showing too much expenditures and raises the per pupil costs, when they pay out for school choice and charter schools the higher you pay out. It is important to be accurate. Referring to page 9, it referred to Schedule 7 spoken about earlier. It allocates riders by programs, within the district, etc. On one of the lines there were 28

students but there was not costs allocated on a line. The overall tally was accurate. There is a Schedule 19, the subsequent year. The same thing of the per pupil costs for administrative cost wasn't put in that schedule. **Councilor Curcuru** asked how many findings there was this year which **Mr. Costa** stated there were six and the previous year was 13. **Mr. Hingston** stated Mr. Markham prepares the report and then they do these procedures. All the procedures are what the DESE wants them to test. **Mr. Costa** felt there was a lot of improvement since 2008.

B) Special Events Permit Form re: Filing Fee (Cont'd from 09/08/11)

Councilor Hardy wished for the Committee to receive a legal opinion from the City Solicitor as to whether there can be one fee for 5013-C's and local charitable organizations and another fee placed on for-profit organizations. She expressed that the School Department was able to assess different fees for some of their functions which is her reasoning for asking for this opinion.

MOTION: On motion by Councilor Hardy, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed to obtain an opinion from the City Solicitor as to whether charging one fee for 5013-C's and local non-profit organizations and one fee for for-profit organizations are permissible

This matter is continued to the first meeting in January 2012.

2. Chris Rogers, Sullivan & Rogers re: Discussion and review of FY11 Audit

Chris Rogers, Sullivan & Rogers, the City's outside auditing firm discussed with the Committee his firm's approach to this year's FY11 Audit, outlining their procedures with them. The start date is December 5th for the audit. They are further ahead than they've ever been and have a substantial amount of the check list. They came in May and June and did a lot of retirement system work. They had no issues this year as Mr. Costa had it all in order. They did their regular internal control work and did their testing. They did the audit on single grants and did site visits. They haven't done the testing yet and will do that in December (of the beach receipts and reconciling back). **Mr. Towne** thought this year was better than last year. There is high volume and is a concern with cash. Ticket numbers they look at every day and explained his office's internal controls. They looked at several things that were explainable and were happy with how it went. **Councilor Curcuru** asked what other beaches on the Cape do. **Mr. Towne** wished to check several places in the Falmouth area to see what they do. They've also talked to parking kiosk companies and are exploring that opportunity but there is a fee involved. To him it would be worth it because of the amount of cash involved, and has concern for the employees' safety also. If they're robbed they are insured, but it is the safety of the employees that is important. He still can't find the Visa program that isn't supposed to charge municipalities. He actually didn't know if it existed. **Councilor Curcuru** asked if they did a user fee would that work. **Mr. Towne** stated it would but it is to avoid cash transactions, of which it is 99%. He discussed beach parking kiosks with Councilor Curcuru and some of the difficulties of how they would be used and issues that have to be resolved. They want to also keep the cars moving. He is comfortable that the ticket system is showing a great improvement. He noted they don't track the residents that come into the lots. It is a known risk and that his priority is to reduce the cash. **Mr. Rogers** thought they were in good shape from an informational standpoint. The biggest issue was that there were a lot of findings on federal grant programs; and that hasn't changed. Five out of six programs have 25 findings. CDBG (13) is a big one and the Schools. There were to grants – the block grant and the Brownfield. Title I and SPED had 10 findings. There were no corrections from the previous year. They are heading down the same direction. School Lunch went really well. The new director is doing very well. The knowledge base and understanding with what is going on is there. They are prepared and understand the compliance requirements. CDBG and School Department are not ready when they get out there. Councilor McGeary asked about the chart of accounts and would it help. Mr. Costa noted he lets them know a month in advance that Sullivan & Rogers is coming to them; and they have the list in hand in advance. It isn't a surprise. Mr. Rogers stated none of the information was prepared. Community Development had nothing ready, and that their employee had to help put things together. They have one more grant to review. This is a pervasive problem throughout the City. Whenever you get a federal grant the fine print says how it is supposed to work. Probably none of their grants managers know what it is. There are a lot of deficiencies. They had this same problem last year and the year before. Mr. Towne noted they talked about the grant administrator's position. These project managers have no clue what A-87 requirements are. They have to do their own training or the person doing grant has to be asked what an A-87 is; and

know what is allowable under the grant rules and regulations. That is their main focus of 'don't overspend the grant' budget. Mr. Rogers noted A-87 is one compliance aspect out of 13 possible. Most grants have 8 or 9. CDBG has 12 out of the 13. It is not just the cost principal. It gets down to what are all the other compliance requirements. Admittedly, it is hard for the grants managers, in reality, to be fluent in all federal guidelines. A-133 is huge, and A-87 isn't far behind. If they had someone in the City that was a true grants manager who knew all the federal guidelines it should eliminate the findings that are going on at this level. **Mr. Towne** thought that is the position that should be added. They did a tally since 2008 they've taken in to present which comes to \$18 million. That has nothing to do with the School side. **Councilor McGeary** stated this situation could eventually put these grants at risk. **Mr. Towne** thought it a high risk that it would. **Mr. Rogers** stated with regard to the Department of Education, he hasn't seen one grant pulled. If there is a Health & Human Services, ARRA – they will pull the money if you can't prove after the fact the money was spent correctly. When ARRA came out, they hired 100 extra auditors and a special report showed that 35% of spending of grants awarded the money wasn't spent correctly. He believed the "crackdown" is coming. If you have numerous findings, they'll be on the radar. **Mr. Towne** noted no one thinks about the tail end of the grant and has seen grants pulled in his experience when they were only half-way spent. **Mr. Rogers** stated the compliance requirements have subtle changes every year. ARRA was different because they wrote specific stringent compliance regulations for that. There have always been these 13 compliance requirements. There are a lot of findings and a lot of grants. This is more than usual. What isn't unusual is that there isn't a great understanding of what has to be done to administer them properly. He believed if the City was creative they can fund the Grants Administrator through the grants. He urged them to look at this. **Councilor McGeary** thought they could spread it out over all the grants to fund the position. **Mr. Towne** thought it would be difficult for one person to do the City and the School grants. He suggested one grant administrator and an assistant who helps the administrator do paperwork. City and school grants are very different in compliance requirements. **Mr. Rogers** confirmed they are less stringent on the School side. **Mr. Costa** commented he believed an experienced grants administrator will be hard to find. **Mr. Towne** stated estimated it would be a little over \$100,000 for a grant administrator and an assistant with benefits. But this would be to not lose \$4 to \$5 million a year in grants, surmising it is a small percentage. **Mr. Rogers** stated these are the thoughts they have to consider when applying for these grants. **Mr. Towne** noted this could be a great regionalization situation. **Councilor Curcuru** added the grants administrator would also be the person is also going to be writing/applying for grants.

Councilor Hardy entered the meeting at 5:54 p.m.

Mr. Rogers noted last year they audited seven grants and this year they're auditing six; however, they're only contracted for three. As they move forward with the audit contracts, he believed the Committee should consider five or six grants per audit. Other communities build in a base and suggested a methodology for the formula to the Committee, Mr. Costa and Mr. Towne as how they might build that into their budget. **Mr. Costa** confirmed he would take care of that. **Mr. Rogers** anticipated issuing draft audits in early January and meet again with the B&F Committee in the middle to late January. Next year the plan is to get the audit going in late September and wrap it up at the end of the year. **Mr. Towne** credited Mr. Costa for their great progress who in turn expressed his appreciation for the hard work and participation of the staff, especially the Assessors Office.

3. Memorandum from Principal Assessor re: Tax Classification

Nancy Papows, Principal Assessor explained to the Committee that the DOR has certified the Fiscal Year 2012 values and new growth were certified by the Department of Revenue as of October 14, 2011. She reviewed the Assessor's Report for FY12 (on file). Directing the Committee to Page 4, **Ms. Papows** noted the list of FY12 values by class. Residential class represents 88.95% of the total value; and the commercial/industrial and personal property (also known as CIP), 11.05%. The value of the City in total is down 2.88% from FY11. Based on sales analyses, the residential class value as a whole decreased 3.65%; and depending on the property types in that class they saw decreases in range of 2%-6%. Commercial had a modest decrease of less than 1%, and the industrial class was down 1.8%. Councilor McGeary asked in the residential class what portion had the most reduction, at the high or low end of the values. **Ms. Papows** responded that land values in general decreased by 5%. When they do the sales analysis, they look in a variety of ways whether it is neighborhood, property style, age of the house. Sometimes base rates for a certain style of home go down more significantly than others. The most expensive, the custom style has not decreased in a number of years. There are not often a large number of sales in that group. But the sales they do have, they've seen a little decrease overall. Page 5 & 5A are parcel counts and assessed values of each class from 1990 to present. On the bottom of Page 5A compares FY11 to FY12 which shows the difference in the parcels in each class. **Councilor McGeary** noted the addition of 13 residential properties in FY12 which **Ms. Papows** confirmed and stated it is a net. **Councilor Curcuru** noted the drop in industrial parcels. **Ms. Papows** expanded

that in terms of the number of parcels it has dropped. One parcel had been converted to commercial use and had been put in that category. Two properties went tax exempt due to foreclosure. Not too much changed there with commercial/industrial. Page 6 and 6A show the historic shift factors adopted over the years. The bottom of 6A shows the shift factor adopted has been 1.06 for the last six years. Page 7 is the maximum allowable levy calculation starting with the FY11 levy limit; Prop 2-1/2 is added to that; new growth; Poles Hill debt exclusion; and the sewer debt shift which results in the FY12 maximum allowable levy at \$63,027,523. That figure divided by the value of all parcels in the City results in the tax rate factor of 1 for this year of 12.27. On inquiry by **Councilor Curcuru, Ms. Papows** explained the factor of 1 last year it was 11.48 but was changed because when they had tax classification last year, the figures were based on the debt shift at a higher amount than what actually happened when the recap went in. They started with a shift of \$1.75 million and were reduced to \$1.249 million. At tax classification, they presented the factor of 1 at 11.48 but it turned out to be 11.3 11.30%. On Page 8 it shows if they chose to shift any of the levy to the commercial and industrial and personal property class, the maximum shift allowed this year is 1.50; and shows the tax rates that would result from the shift percentages and the shift in the levy percentages by class. Page 9 and 9A further illustrate the approximate tax rates realized based on the variety of shift factors. Last year's adopted shift of 1.06 is on page 9A. Rates are approximate based on rounding once everything is entered in the recap. Page 10 shows actual change in tax dollars at the various shifts for properties valued at \$250,000 through to \$1 million. For a property valued at \$250,000 last year, it is saving the residential taxpayer \$22.50 while the commercial/industrial/personal property taxpayer pays an additional \$185. For the \$1 million property, the residential taxpayer sees a \$90 savings annually. The CIP would pay an additional \$740 per year. Maximum shift is illustrated at the bottom of that page. Average residential parcel (single family) was \$452,553 this year. **Councilor Curcuru** noted it would save \$35 from the factor at the next shift which is 1.1; **Ms. Papows** stated on that particular page it would over the course of a year. Councilor Curcuru further noted it almost doubles the commercial. **Councilor McGeary** clarified the change is from the factor of 1 with **Ms. Papows** adding all taxpayers having the same tax rate, no shift of levy. Page 11 starts to outline the open space discount and the residential exemption. The City has no parcels classified as Open Space yet. However, they do have the chapter land having discounts for conservation and things of that nature. **Councilor Hardy** commented there is a lot of land they're looking at right now, especially in the North Gloucester Woods for that designation which should be realized next year.

Councilor Curcuru asked for an explanation about golf courses. **Ms. Papows** stated the Bass Rocks Golf Club is under MGL c. 61B (also covered under c. 61A). It qualifies under state law, golf clubs in general, on the part of their property that is left in an open and natural condition not for structures. They're taxed at full value for structures, but they do get a discount on the land. A fairway is considered open and natural. A lot of the chapter land has rolled back in penalty taxes. They're keeping it in a certain condition; but if they decide to take it out of chapter land, they would be subject to certain penalties. If you meet the requirements of the law, the City has to grant the chapter land. **Councilor Hardy** asked about the improvement of land on a golf course, was that like construction of building on that land, horizontal, as opposed to putting in drainage, watering systems, retention ponds. **Ms. Papows'** understanding was it was the buildings because then the land is not kept open. Councilor Hardy inquired what is then considered a structure; the clubhouse, the large nets that have appeared on the course; the elevated tees. **Gary Johnstone**, Assessor stated they are charged per green. All the structures or improvements get taxed at a regular commercial rate. Councilor Hardy understood that it is then the structure itself not the improvement. In response to a question by **Councilor Curcuru, Ms. Papows** stated there is a list of requirements. For instance, for forest land you have to enter into a certified management plan with the State Forestry Department and have to have 10 contiguous acres and meet a variety of conditions on all of them. They apply each fall for the following year to be approved or disallowed based on the information provided.

Ms. Papows related to the Committee it was her understanding that the Mayor has not elected to adopt either the residential or the small commercial exemption. Pages 12 and 12A have those calculations. **Councilor Hardy** stated then that the Mayor is not recommending changes in both the residential or small commercial exemptions, and it is at the Mayor's option. **Ms. Papows** confirmed that to be the case in not adopting either one; or it is at the option of the Mayor with the approval of the City Council. **Councilor Hardy** asked what would happen if the City Council didn't approve it. **Ms. Papows** stated she would look into that for the Councilor. (Small commercial exemption is explained on page 13.) On further inquiry by **Councilor Hardy** regarding personal property and summer cottages, **Ms. Papows** explained that summer cottages are subject to personal property tax, if in fact it is not the person's domicile, having a residence somewhere else. It is in the total value for the personal property class which is subject to the commercial tax rate. In their case, it is the value of the contents which is the personal property that is being taxed. They do an allocation method which is a percentage of the building value and extra features which gets approved by the State. She clarified for **Councilor McGeary** that the house is taxed as real estate, residential; and

then they get an additional personal property tax bill which is reflective of the value of the contents which is based on a percentage of the value of the house. Everybody is exempt if it is their domicile, if it is not your domicile; you are subject to the personal property tax. **Councilor Hardy** asked about equipment and commercial properties. **Ms. Papows** explained that is another thing that makes up the personal property value of the City as a whole. They get Form of List returns from businesses every year and have a consultant to walk the City in January to pick up new accounts, delete those that have gone out of business as of the assessment date which is January 1st. They're required by law to furnish the City with the Form of List of returns. The State sets values on some of them. It all makes up the personal property value. Noting the bottom of Page 5A, Ms. Papows stated they've been having their consultant, RRC do full measures and lists. There was one done in FY11, and prior to that it was in 2005. The personal property value is higher than last year and has been going up over time. There's a lot of new growth this with the utilities; Boston Gas, MA Electric, all reported on their Form of List which they're required to do by State law to report. On inquiry by **Councilor Hardy** for examples of the kinds of things on those particular lists, **Ms. Papows** stated they are unable to disclose any of the information on Form of Lists because it is not public information. They report what they have in personal property that pertains as to what type of ownership they are; whether they are a partnership, a corporation. They're required to report a certain list of items. Whatever they have that covers that entity; it could be underground conduits, machinery used in the conduct of doing business. They give a total of the entire underground conduit they have and a value. **Councilor Hardy** asked about double poles in the City. **Bethann Godhino**, Assessor responded they never got a reply to any of her emails on double poles to see what they are reporting on their lists is just the active pole or the double poles in order to make sure what they are. They have never gotten replies on the emails. She pointed out when the information is submitted to them, it is very vague. She had asked their consultant, RRC, to also look into it, but they, too, have never been able to get an answer either. **Ms. Papows** stated are valued by the DOR because they're telephone companies. They take the Commissioner's value and assess that. Unless they have information to the extent that they're incorrect, they have to appeal their value. They have not appealed the values to date. **Councilor Hardy** stated if she wasn't home when they came by to do the assessment on her property, how are they to know what she really has in her house. Do they go on previous years under those circumstances? **Ms. Papows** explained they wouldn't change it unless they saw something physically different. They go out on all building permits and make changes based on those. If they see a change from the outside they do cyclical inspections. Even if someone is not taking a building permit (in a 9 year cycle they have to see all the properties); if they can't get in, they don't have the statutory authority to force entry. So, if someone refuses them entry that is it. They do what they can from the street by looking at the condition, the story height, building materials. They would make changes based from the exterior if they have to. They don't automatically assume they've done anything. They would not make changes about the inside if they're not in the house. They also look at new roofs and go out on all those permits. That doesn't necessarily change the appreciation, however. They measure additions, like a kitchen renovation. Sometimes people take out a kitchen when it is not to their taste, and renovate it but it changes nothing in value. **Councilor Hardy** asked about the Sam Park project. **Mr. Johnstone** explained last year they didn't receive any TIF because they didn't reach the set milestone. Last year the City realized full value on what they had created as of the January 1, 2010 assessment. This year while made more strides in completing buildings, because they met their TIF requirement, they're getting a reduction. While the net increased in value it shows up as less because they're applying a 50% discount to the incremental from the base year. So while they've made improvements, the City is not catching the value of the improvements. **Ms. Papows** stated there is some new growth from year to year but because they didn't receive a benefit at all last year, the value was going in the other direction. **Mr. Johnstone** added if they had received their 50% benefit last year having met the initial requirement, the incremental increase they saw this year would have been realized in terms of new growth. This year they don't get new growth because of the value added schedule when reported will be less. Next year it won't be the same situation; their TIF requirements will have more work done because other buildings have come further along. There will be some new growth. On inquiry by **Councilor Curcuro**, **Mr. Johnstone** explained it is completion of buildings, not just the construction of buildings. They have shells up, and are completing those shells. Pointing to the example to the building housing the retail store Marshall's, in that same building this year ACE Hardware was finished. Therefore, that building came up a bit higher this year. There's still a part of that building that's just a shell. The building where Petco is they'll review it in the field in January to see how far along it is. But there still has shells in it also. **Councilor Hardy** asked again regarding the Tax Classification if there was an Administration recommendation. **Mr. Towne** stated he was informed during the Committee's discussion that the Administration is confirming their recommendation for a Tax Classification factor of 1.06. **Councilor Hardy** stated this is status quo. They're trying to keep as many businesses in the City and keeping as many residents in their homes as they can during difficult financial times. She extended her support for the rate at 1.06 percent.

MOTION: On motion by Councilor Hardy, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed for a Tax Classification Factor of 1.06 percent for Fiscal Year 2012.

MOTION: On motion by Councilor Hardy, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed to ADVERTISE FOR PUBLIC HEARING as follows: As in accordance with M.G.L. Chapter 40, Section 56 and pursuant to the Gloucester Code of Ordinances §2-26 the Gloucester City Council will hold a public hearing on Tuesday, October 25, 2011, at 7:00 p.m. at City Hall, 9 Dale Avenue in the Fred J. Kyrouz Auditorium, relative to TAX CLASSIFICATION to determine and set the Tax Classification factor at 1.06 percent of the local tax levy to be borne by each class of real and personal property for Fiscal Year 2012.

Bob Hastings, Executive Director of the Cape Ann Chamber of Commerce stated that they support the Council's setting the Tax Classification at a rate of 1.06 percent.

4. *Letter from Gloucester Rotary Club and Gloucester Rotary Club Foundation re: gift to City Stage Fort Park Playground 100th anniversary project*

Councilor Hardy thanked Steve Kaity for "doing this right" in setting a template going forward for all other City organizations in working with the City. **Councilor Curcuru** expressed his thanks also. Mr. Kaity stated their intention is to help the City to maintain the landscaping and equipment of the playground. They don't have a near future decision to put in new equipment currently. Mr. Frontiero, their President is working with the City Solicitor to have a standard operating procedure for working with the City in the future.

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 under M.G.L. c. 44, 53A-1/2 to accept the donation of tangible goods totaling \$186,272.68 from the Gloucester Rotary Club Foundation for their 100th Anniversary project of the Stage Fort Park playground.

5. *Memorandum from Chief Administrative Officer re: Gorton's Inc. establishment of an Economic Opportunity Area and Tax Increment Financing Request*

This matter is continued at the request of the Chief Administrative Officer with the Committee's agreement to November 3, 2011.

6. *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 prior to the meeting (on file). **Mr. Towne** and **Mr. Costa** also discussed the findings that Mr. Rogers brought forward earlier in the agenda with the Committee. He also reviewed the ordinary transfers to date this fiscal year with the Committee along with the SA and SBT transfers (on file).

The Committee also decided the dates and times for the site visits regarding the CPA Fund applications and would notify the applicants of that information.

A motion was made, seconded and voted unanimously to adjourn the meeting at 7:21 p.m.

Respectfully submitted,

Dana C. Jorgenson
Clerk of Committees

DOCUMENTS/ITEMS SUBMITTED AT MEETING: None.