

**CITY COUNCIL  
AND  
CITY COUNCIL STANDING COMMITTEE**

**Budget and Finance**

**Thursday, April 30, 2009 – 7:00 p.m.**

**Council Conference Room – City Hall**

**Attendance:** Councilor Jason Grow, Chair, Councilor Joe Ciolino, Vice Chair, (arrived 8:13 p.m.), Councilor Steve Curcuru

**Also:** Councilors Grow, Curcuru, Hardy, Ciolino (arrived 8:13p), Mike Hale, Nancy Papows, Deborah Laurie, Suzanne Egan, Marcia McInnis, Jim Duggan, Maggie Rosa

**Absent:**

**The meeting is called to order at 7:00 p.m.**

**1. Letter from National Grid re: Contribution to the City of Gloucester.**

**Jim Duggan, CAO** explained that this was a result of negotiations between NG and the Mayors office. That the City's cost analysis of paving and other Eastern Ave. incident related overtime, purchase of gas detectors for fire department was upwards of \$500-\$600k. Concerns raised that accepting donation will release NG from all future claims by the city. City Solicitor Suzanne Egan indicated that a formal, legal release would have to be signed by the administration for that to happen, despite the wording in the final paragraph of the gift letter. SE indicated that she had not been a party to the negotiations between NG and Mayor Kirk. Mike Hale provided an analysis of estimated paving costs for the areas adjacent to Eastern Avenue. JD indicated where the administration planned to direct the funds. Council will receive formal request to accept funds and appropriation requests in the next council packet.

**2. DPW O&M contract terms for Grinder, STEP and Pump Stations**

**Mike Hale, DPW Director** indicated that the city would likely receive more competitive offers with a longer contract duration.

**MOTION: On motion of Councilor Grow seconded by Councilor Curcuru, the Budget and Finance Committee voted 2 in favor, 0 opposed to recommend to the full City Council acceptance of the contract terms for the RFP for grinder, STEP and pump station maintenance services from 3 to 5 years (as required by MGL 30b) with an option for a 2-year extension.**

**3. Memo from Principal Assessors re: Overlay Surplus for Fiscal Year 2008.**

**Nancy Papows, Principal Assessor** indicated that the Assessors' office has determined that they are declaring a surplus in the tax abatement overlay account for FY08 in the amount of \$145k. Administration will put forward transfer requests with the likelihood that it will be applied to snow and ice overages for FY09.

#### 4. **Memo from Interim Grants Administrator re: 2009 CDBG & HOME Grants.**

**Deborah Laurie, CDGB interim Grants Administrator** explained the process by which applications are solicited, submitted, reviewed and awarded. The anticipated grant this year is \$782,760 and \$122,484 from the HOME Consortium. Additionally the city is projected to receive \$212k in stimulus related CDGB funds that the administration has targeted for road improvements in economically qualified target zones.

These amounts are estimated for Program Year 2009 and are expected later this year. The administration will be posting the position of Grants Administrator with a focus towards economic development and community outreach.

Discussed 108 loans, which are business loans by HUD specifically for job creation. Businesses have to be willing to undergo extra scrutiny to be accepted. Previous 108 loans have been given to businesses that then went into bankruptcy because there was no requirement for personal guarantees on the ability to repay the loan. Good Harbor Filet was one such loan. The city ultimately is responsible for loan repayment and this comes out of future CDGB grants. Personal guarantees are now a requirement, however HUD is considering suspending the program because of the high number of defaults.

Each pending grant was reviewed and discussed. Typically there is a three-year cycle for grants, meaning that an applicant will generally receive a grant for the same program for three years, though some organizations receive grants annually for different programs.

Discussions on the need to more publicly promote the CDGB program and encourage more organizations to participate. While some applications were not forwarded by the reviewing committee due to ineligibility, J. Duggan said the Mayor denied no applications that made it through the screening process, though some received less funding than they had applied for. Final approval and funding amounts are discretionary on the part of the administration and do not require consent by the Council.

**MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted UNANIMOUSLY to recommend to the full City Council to accept the anticipated CDGB grant in the amount of \$782,760 and the anticipated HOME grant from the North Shore Home Consortium in the amount of \$122,484.**

#### 5. **Fee Compendium.**

**Mike Hale** reviewed proposed changes to the fee compendium for DPW related fees and J. Duggan reviewed pending changes to the Health Department and City Clerk departments. Where possible, departments were asked to compare related fees to similar or neighboring communities: Rockport, Danvers, Beverly, Salem and Newburyport. The fee compendium will be formally forwarded in the next Mayor's report for review,

however the committee voted unanimously to advertise for a public hearing as soon as possible as implementation by the beginning of the fiscal year could impact potential revenue projections.

**6. CC2009-010 (Hardy) Investigating costs incurred from groups that use city resources.**

Discussion on Councilor Hardy's order to investigate whether private organizations are compensating the city for use of public property. Discussion on who monitors the payment of fees and whether there is sufficient protections in place for damages.

**Councilor Grow** asked whether there was a requirement to have damage liability insurance and whether organizations could get temporary insurance to cover their event. This is primarily aimed at larger events where vehicles etc. have left damage on fields and parks. Request was made that the administration would look into the policies regarding such uses.

**Meeting adjourned 10 p.m.**

**Minutes/notes prepared by Councilor Jason Grow**