

**CITY COUNCIL STANDING COMMITTEE**

**Budget and Finance**

**Thursday, September 17, 2009 –7:00 p.m.**

**City Council Conference Room**

**Present: Councilor Jason Grow, Chairperson; Councilor Joe Ciolino, Vice Chair and Councilor Steve Curcuru**

**Also Present: Jeffrey Towne; Carole Gray, Library Director; and Dale Brown, Committee for the Arts**

**The meeting was called to order at 7:05 p.m.**

**1. Police – Acceptance of E911 Grant**

The GPD has been awarded a Grant from the State 911 Department to partially fund salaries in the E911 Dispatch Center for FY10. It is also requested that a special revenue account entitled “FY10 E911 Grant” be established. The amount of the Grant is \$58,730.

**MOTION: On motion of Councilor Ciolino, seconded by Councilor Curcuru, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend the City Council accept the E911 Grant – Gloucester Police Department in the amount of \$58,730. Further, to establish a special revenue account entitled “FY10 – E911 Grant”.**

**2. Memo from Library Director re: Acceptance of LSTA Serving Tweens and Teens Grant**

**Carole Gray** spoke to this award from the Mass. Board of Library Commissioners in the amount of \$20,000. It is scheduled to begin on October 1, 2009. The grant is payable

over a two year period and requires no matching funds. The Grant will pay for furniture and programming for the teen section of the library. The purchase of computers is not allowed through this grant.

**MOTION: On motion of Councilor Ciolino, seconded by Councilor Curcuru, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend the City Council accept the LSTA Serving Tweens and Teens Grant in the amount of \$20,000 with no matching funds.**

**3. Special Budgetary Transfer – 10-3 – Committee for the Arts**

**Dale Brown**, for the Committee for the Arts, spoke to the Special Budgetary Transfer in the amount of \$320.00 from The Committee for the Arts to cover custodial overtime for Trails and Sails, which was held on September 26 and 27. The Committee for the Arts has FY10 funding in the amount of \$3,000; however, has not been funded in previous years.

**MOTION: On motion of Councilor Grow, seconded by Councilor Curcuru, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend the City Council approve the Special Budgetary Transfer 10-3 from Committee for the Arts to overtime for Trails and Sails in the amount of \$320.00**

**From Account: 295031.10.181.57000.0000.000.00.067**

**To Account: DPW City Hall Services 293004.10.422.51300.0000.00.000.00.051**

**4. Memo from Committee Arts re: Request to pay invoices without a Purchase Order**

**Dale Brown** is requesting authorization for payment for work done to elevate the mural in the Mayor's Office to protect the art from possible damage. The Committee authorized the project, anticipating funding from a matching grant from seARTS. The work proceeded before purchase orders were in place, and it is requested money be appropriated to pay the individual invoices in the amounts of \$225.00 and \$270.00

**MOTION: On motion of Councilor Ciolino, seconded by Councilor Curcuru, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend the City Council approve payment of invoices without a purchase order in the amounts of**

**\$225 to Peter Tysver for invoice dated 8/28/09; and, \$270 to Parsons Construction for invoice dated 8/18/09.**

**OTHER BUSINESS:**

**Mr. Towne** spoke to Appropriate Level of Unreserved Fund Balance in the General Fund. Unreserved fund balance is the non-spoken-for amount which begins when certifying free cash. It is the accumulated year – after - year net income.

He provided a memo, covering the background and recommendation, which is attached and made a part of the minutes.

**Mr. Towne** stated that local governments do not focus on the Fund Balance as being important; however, it is in that if there is not a solid Fund Balance, it means there is not a lot of cash. The City should target an appropriate level of surplus; should try not to use the funds; but have available in a severe emergency. The term “free cash” is misleading, and if the City is doing things right, there would be a level that says “let’s not touch that”.

Further, when cleaning up the financials, there should be a good set of number that makes sense; and, looking at financials should mean looking at balance sheets. He referenced the second paragraph under Recommendations in the memo provided.

He also noted that Department’s left-over money should be put aside; that funding should be done realistically; tax title funds should be put in that account; and one should be conservative with revenues. He also spoke to more funding going into the Snow and Ice Fund.

Also, the Reserve 900 Fund should have money to be used for an emergency in the current fiscal year; however, having a goal not to spend the funds.

**Mr. Towne** said he is getting a better picture of where the City stands; and, anticipates \$1 million in tax title collection revenue. The list of tax titles will be published within the month.

Further, a Capital Operating Budget is needed with all costs configured; and, the City should pay in cash vs long-term debt. He also stated that once a road is paved, it should not be able to be opened for five years. Make a plan and make the plan happen, he commented.

There was also discussion on the Water and Sewer rates and adding a Capital Improvement charge; that water and sewer payments have slowed; and, a part time person is being brought on board to deal with water and sewer collections, exclusively. There are no benefits attached to the part-time position.

There are many ways to fix operating deficiencies, he said, and all Departments should be on board with a comprehensive financial plan.

**Councilor Grow** stated that the Budget is an Administration function; however, whoever is chair of the Budget and Finance Committee should be brought in to discuss the budget planning as it is helpful to engage in proactive efforts early. There should be a B and F perspective on deficiencies before budget planning begins.

**Mr. Towne** continued, noting that the City has to work continually to work to improve Bond ratings and be diligent with establishing a spending and cash flow plan.

**At the next Budget and Finance Committee meeting there will be a Quarterly Review/Revenue update.**

The meeting was adjourned at 8:00 p.m.

Respectfully Submitted,

Anne Marchand, Substitute Recorder