

**Budget & Finance Committee**  
Thursday, November 21, 2013 – 5:30 p.m.  
1<sup>st</sup> Fl. Council Committee Room – City Hall  
**Minutes**

**Present:** Chair, Councilor Paul McGeary; Vice Chair, Councilor Joseph Ciolino; Councilor Melissa Cox  
**Absent:** None.

**Also Present:** Kenny Costa; Jeff Towne; Police Chief Leonard Campanello; Fire Chief Eric Smith; Nancy Papows; Noreen Burke; Mark Cole; Debbie Laurie; Tim Goode; Beth Godhino; Gary Johnstone; Karin Carroll

The meeting was called to order at 5:30 p.m. Items were taken out of order.

1. *Community Preservation Committee Recommendations re: Votes to Recommend Applicant Funding to the City Council for Community Preservation Funding, Round 4, FY13 (Cont'd from 11/07/13)*

*Project #1 – Magnolia Library & Community Center Renovation - \$7,500*

**MOTION:** On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council appropriate up to \$7,500.00 (Seven Thousand Five Hundred Dollars) from the Community Preservation Act Funds as recommended by the Community Preservation Committee, for a grant to the Magnolia Library & Community Center for the purpose of its renovation in Gloucester, Massachusetts, in order to restore a historic resource. The appropriation will be allocated to the Historic Preservation category and funded from Unrestricted Reserves in Fund #270000. The project will be tracked in the Community Preservation Fund – Historic Preservation Projects Fund #275017.

*Project #2 – Sargent-Murray-Gilman-Hough House: Saving the Foundation, Repairing the Structure - \$20,000*

**MOTION:** On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council appropriate up to \$20,000.00 (Twenty Thousand Dollars) from the Community Preservation Act Funds as recommended by the Community Preservation Committee, for a grant to the Sargent-Murray-Gilman-Hough House Association for the purpose of preserving the museum's foundation and repair the structure in Gloucester, Massachusetts, in order to restore a historic resource. The appropriation will be allocated to the Historic Preservation category and funded from Unrestricted Reserves in Fund #270000. The project will be tracked in the Community Preservation Fund – Historic Preservation Projects Fund #275018.

*Project #3 – Cape Ann Museum and Thacher Island Association: Restoration and Preservation of Thacher Island Fresnel Lens - \$10,000*

**MOTION:** On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council appropriate up to \$10,000.00 (Ten Thousand Dollars) from the Community Preservation Act Funds as recommended by the Community Preservation Committee, for a grant to the Cape Ann Museum and Thacher Island Association for purpose of the restoration and preservation of the Thacher Island Light Fresnel Lens in Gloucester, Massachusetts, in order to restore a historic resource. The appropriation will be allocated to the Historic Preservation category and funded from Unrestricted Reserves in Fund #270000. The project will be tracked in the Community Preservation Fund – Historic Preservation Projects Fund #275019.

*Project #4 – Phyllis A. Association: Stern Rebuild of the Vessel Phyllis A. - \$25,000*

**Councilor Cox** informed the Committee that her husband is a member of the Board of the Phyllis A. Association but that neither she nor her husband benefits financially because of it; and therefore she is able to participate in a vote.

**MOTION:** On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council appropriate up to \$25,000.00 (Twenty Five Thousand Dollars) from the Community Preservation Act Funds as recommended by the Community

Preservation Committee, for a grant to the Phyllis A. Marine Association to rebuild the stern of the vessel, Phyllis A. in Gloucester, Massachusetts, in order to restore a historic resource. The appropriation will be allocated to the Historic Preservation category and funded from Unrestricted Reserves in Fund #270000. The project will be tracked in the Community Preservation Fund – Historic Preservation Projects Fund #275020.

**Project #5 – Rocky Neck Art Colony: Rehabilitation and Restoration of former Christian Science Church, 6 Wonson Street - \$50,000**

**MOTION:** On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council appropriate up to \$50,000.00 (Fifty Thousand Dollars) from the Community Preservation Act Funds as recommended by the Community Preservation Committee, for a grant to the Rocky Neck Art Colony, Inc. for the purpose of the rehabilitation and preservation of the former Christian Science Church, 6 Wonson Street in Gloucester, Massachusetts, in order to restore a historic resource. The appropriation will be allocated to the Historic Preservation category and funded from Unrestricted Reserves in Fund #270000. The project will be tracked in the Community Preservation Fund – Historic Preservation Projects Fund #275021.

**Project #6 – City Hall Restoration Committee: City Hall Restoration – Repairs/Restoration of Auditorium Windows - \$36,000**

**MOTION:** On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council appropriate up to \$36,000.00 (Thirty Six Thousand Dollars) from the Community Preservation Act Funds as recommended by the Community Preservation Committee, for a grant to the City Hall Restoration Committee for the purpose of the City Hall repairs and restoration of the Kyrouz Auditorium windows in Gloucester, Massachusetts, in order to restore a historic resource. The appropriation will be allocated to the Historic Preservation category and funded from Unrestricted Reserves in Fund #270000. The project will be tracked in the Community Preservation Fund – Historic Preservation Projects Capital Fund #346001.

**Project #7 – Ocean Alliance: Tarr and Wonson Paint Manufactory – Repair Chimney & Support Building - \$30,000**

**MOTION:** On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council appropriate up to \$30,000.00 (Thirty Thousand Dollars) from the Community Preservation Act Funds as recommended by the Community Preservation Committee, for a grant to the Ocean Alliance for the purpose of repairing a chimney and supporting building at the Tarr and Wonson Paint Manufactory in Gloucester, Massachusetts, in order to restore a historic resource. The appropriation will be allocated to the Historic Preservation category and funded from Unrestricted Reserves in Fund #270000. The project will be tracked in the Community Preservation Fund – Historic Preservation Projects Fund #275022.

**Project #8 – Magnolia Historical Society, Inc.: Rehabilitation and Restoration of the Blynman Schoolhouse to enable use as the Magnolia Historical Museum and Cultural Center - \$30,000**

**MOTION:** On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council appropriate up to \$30,000.00 (Thirty Thousand Dollars) from the Community Preservation Act Funds as recommended by the Community Preservation Committee, for a grant to the Magnolia Historical Society, Inc. for the purpose of the rehabilitation and restoration of the Blynman School House in Gloucester, Massachusetts, in order to restore a historic resource. The appropriation will be allocated to the Historic Preservation category and funded from Unrestricted Reserves in Fund #270000. The project will be tracked in the Community Preservation Fund – Historic Preservation Projects Fund #275023.

**Project #9 – Gloucester Committee for the Arts: City Hall WPA Mural Restoration Project – Phase II - \$35,000**

**MOTION:** On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council appropriate up to \$35,000.00 (Thirty Five

Thousand Dollars) from the Community Preservation Act Funds as recommended by the Community Preservation Committee, for a grant to the Gloucester Committee for the Arts for the purpose of Phase II of the restoration of City Hall Works Progress Administration Murals, in Gloucester, Massachusetts, in order to restore a historic resource. The appropriation will be allocated to the Historic Preservation category and funded from Unrestricted Reserves in Fund #270000. The project will be tracked in the Community Preservation Fund – Historic Preservation Capital Projects Fund # 346002.

**Project #10 – Cape Ann Women’s Softball League: Mattos Field Rehabilitation Project - \$10,075**

**MOTION:** On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council appropriate up to \$10,075 (Ten Thousand Seventy Five Dollars) from Community Preservation Act Funds as recommended by the Community Preservation Committee, for a grant to the Cape Ann Women’s Softball League for the purpose of rehabilitating Mattos Field located in Gloucester, Massachusetts, in order to rehabilitate land for recreational use. The appropriation will be allocated to the Open Space/Recreation category and funded from Unrestricted Reserves in Fund #270000. This project will be tracked in the Community Preservation Fund – Open Space/Recreation Capital Projects Fund #340002.

**Project #11 – City of Gloucester: Gloucester Skate Park Rehabilitation Project - \$25,000**

**MOTION:** On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend to the City Council appropriate up to \$25,000 (Twenty Five Thousand Dollars) from the Community Preservation Act Funds as recommended by the Community Preservation Committee, for a grant to the City Of Gloucester Department of Public Works for the purpose of rehabilitating the Gloucester Skate Park in Gloucester, Massachusetts, in order to rehabilitate land for recreational use. The appropriation will be allocated to the Open Space/Recreation category and funded from Unrestricted Reserves in Fund #270000. This project will be tracked in the Community Preservation Fund – Open Space/Recreation Capital Projects Fund #340003.

**Project #12 – Friends of Stage Fort Park: Stage Fort Park – Walking Path - \$4,000**

**MOTION:** On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend to the City Council appropriate up to \$4,000 (Four Thousand Dollars) from the Community Preservation Act Funds as recommended by the Community Preservation Committee, for a grant to the Friends of Stage Fort Park (George H. Roark and Susannah Wolfe) for the purpose of creating a walking path at Stage Fort Park in Gloucester, Massachusetts, in order to rehabilitate land for recreational use. The appropriation will be allocated to the Open Space/Recreation category and funded from Unrestricted Reserves in Fund #270000. This project will be tracked in the Community Preservation Fund – Open Space/Recreation Capital Projects Fund #340004.

**Project #13 – Gloucester Waterways Board/Harbormaster: Hodgkins Cove Public Landing - \$8,000**

**MOTION:** On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend to the City Council appropriate up to \$8,000 (Eight Thousand Dollars) from the Community Preservation Act Funds as recommended by the Community Preservation Committee, for a grant to the City of Gloucester Waterways Board/Harbormaster for the purpose of rehabilitating Hodgkins Cove Public Landing in Gloucester, Massachusetts, in order to rehabilitate land for recreational use. The appropriation will be allocated to the Open Space/Recreation category and funded from Unrestricted Reserves in Fund #270000. This project will be tracked in the Community Preservation Fund – Open Space/Recreation Capital Projects Fund #340005.

**Project #14 – Gloucester Waterways Board/Harbormaster: Head of Lobster Cove**

**MOTION:** On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend to the City Council appropriate up to \$5,000 (Five Thousand Dollars) from the Community Preservation Act Funds as recommended by the Community Preservation

Committee, for a grant to the City of Gloucester Waterways Board/Harbor Master for the purpose of rehabilitating Head of Lobster Cove Public Landing in Gloucester, Massachusetts, in order to rehabilitate land for recreational use. The appropriation will be allocated to the Open Space/Recreation category and funded from Unrestricted Reserves in Fund #270000. This project will be tracked in the Community Preservation Fund – Open Space/Recreation Capital Projects Fund #340006.

**Project #15 – Magnolia Bike Club: Magnolia Bike Park – Bicycle Track - \$5,000**

**MOTION:** On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend to the City Council appropriate up to \$5,000 (Five Thousand Dollars) from the Community Preservation Act Funds as recommended by the Community Preservation Committee, for a grant to the Magnolia Bike Club for the purpose of creating a Magnolia Bike Park Bicycle Track at Magnolia Woods in Gloucester, Massachusetts, in order to rehabilitate land for recreational use. The appropriation will be allocated to the Open Space/Recreation category and funded from Unrestricted Reserves in Fund #270000. This project will be tracked in the Community Preservation Fund – Open Space/Recreation Capital Projects Fund #340007.

**Project #16 – Friends of Gloucester Dog Park: Gloucester Dog Park - \$15,000**

**MOTION:** On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend to the City Council appropriate up to \$15,000 (Fifteen Thousand Dollars) from the Community Preservation Act Funds as recommended by the Community Preservation Committee, for a grant to the Friends of Gloucester Dog Park for the purpose of making improvements at the dog park located at Stage Fort Park in Gloucester, Massachusetts, in order to rehabilitate land for recreational use. The appropriation will be allocated to the Open Space/Recreation category and funded from Unrestricted Reserves in Fund #270000. This project will be tracked in the Community Preservation Fund – Open Space/Recreation Capital Projects Fund #340008.

**Project #17 – Essex County Greenbelt Association: Norcross Property Acquisition - \$100,000**

**MOTION:** On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council appropriate up to \$100,000 (One Hundred Thousand Dollars) from the Community Preservation Act funds as recommended by the Community Preservation Committee for a grant to the Essex County Greenbelt Association (ECGA) for the purpose of purchasing of the 10.3 acre site on Concord Street and Route 128 in Gloucester, Massachusetts, in order to acquire land for open space, upon the condition that the ECGA conveys a conservation restriction to the City of Gloucester or its designee. The appropriation will be allocated to the Open Space category and funded by up to \$97,130 from Open Space Reserves in Fund #2701000, and funded by up to \$2,870 from the Unrestricted Reserves in Fund #270000. The project will be tracked in the Community Preservation Fund – Open Space Projects Fund #271005.

Councilor McGeary confirmed with Debbie Laurie, Senior Project Manager of the Community Development Department that for the next round of Community Preservation Act the state has indicated that it will increase its matching funds for CPA grants.

**2. Memorandum from Principal Assessor re: Tax Classification (Cont'd from 11/07/13)**

Nancy Papows, Principal Assessor explained the following to the Committee regarding the 2014 Tax Classification for the City:

Preliminary Department of Revenue certification was received on Nov. 18 but final certification, which is required in order to hold the City Council public hearing on adoption of a Tax Classification, has not yet been received. The City has submitted all necessary documentation to the Department of Revenue (DOR) for the final certification. The Administration has not chosen to adopt either the residential or small commercial exemptions. At the public hearing the City Council may adopt a residential factor. A factor of 1.0 percent would be all classes of properties paying the same tax rate. And any factor other than 1.0 percent would be shifting a portion of the tax levy onto different classes of property. The residential class as a whole is fairly stable this year. Certain sectors within the residential class,

apartments and vacant land, saw slight increases. The commercial sector is up slightly, a little over two percent, and in the industrial class up by about one percent. All reflect the total valuation of the properties per class. It was pointed out that for the last seven years the Council has adopted a Tax Classification Factor at a rate of 1.06 percent.

**Councilor McGeary** noted that the Principal Assessor should be prepared to give a full presentation to the Council at the Nov. 26 City Council meeting; and suggested the Committee vote forward a motion to adopt a tax classification factor as it did last year to present to the Council as a starting point and at the public hearing opening on Tuesday evening, Nov. 26, the tax factor can be amended as the Council sees fit.

**MOTION: On a motion by Councilor Cox, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council adopt a TAX CLASSIFICATION FACTOR OF 1.06 percent for Fiscal Year 2014.**

**3. Memorandum from CAO & Supplemental Appropriation-Budgetary Request 2014-SA-5 in the amount of \$100,000**

**Jim Duggan**, CAO recalled for the committee that at the Special City Council meeting of July 2, the Administration had said it would make sure that the Bay View Fire Station remained open through this fiscal year. He said the Fire Chief has been overseeing the overtime expenditures, and the overtime fund necessary to keep Bay View open is very nearly expended. **Mr. Duggan** said the supplemental appropriation before the committee is being made prior to Free Cash being certified, and from the City's Stabilization Fund. He said it is the intent of the Administration when it presents its comprehensive plan for FY13 Free Cash that this \$100,000 will be paid back to the Stabilization Fund.

It was noted that there had been a previous discussion of setting up a stabilization account for Fire Department overtime but that it was withdrawn. **Councilor McGeary** asked, given that the holidays are coming soon, how long this funding should last. **Chief Smith** said this would give him enough funding to get through the first of the year. Currently, he said, the fund is overcommitted by about \$20,000; the \$100,000 appropriation would cover that amount and give him \$80,000 for overtime, he said. **Mr. Duggan** added that there won't be a specific amount dedicated to Fire Department overtime when the administration advances its plan for the use of the city's Free Cash.

**Chief Smith** updated the Committee on the status of the rehabilitation of the Magnolia Fire Station. The earliest that the station will be fully staffed is July 2014 when the department staffing is consolidated to three shifts from four, he said. **Mr. Duggan** pointed out the work on the station is being done by the DPW and outside contractors. **Councilor Cox** asked if the building would be ready much prior to July 1, 2014. **Mr. Duggan** said it is not anticipated to be ready before then, and it is also dependent on staffing and that achieving the goal of fully opening the Magnolia Fire Station before July 1 is not achievable.

**Mr. Duggan** said assuming the new contract is funded; it is intended to staff the Magnolia Fire Station. Additionally, it is the intent to keep Bay View open and that July 1 Magnolia Fire Station would be open 24/7.

**MOTION: On a motion by Councilor Cox, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve Supplemental Appropriation 2014-SA-5 in the amount of \$100,000 (One Hundred Thousand Dollars) from the Stabilization Fund, Fund Balance Account #840000.10.000.35900.0000.00.00.000 to Fire Department, Salary/Wage Overtime, Account #101000.10.220.51300.0000.00.000.00.052 for the purpose of providing additional overtime funds to maintain appropriate staffing levels.**

*[It was noted that an appropriation from a Stabilization Fund requires a two-thirds vote of approval by the City Council.]*

**4. Special Budgetary Transfer Request 2014-SBT-4 from CFO in the amount of \$10,000**

**Mr. Towne** explained that this was a department request that was reduced at budget time. The money will be used for advertising and mailing costs. The funding from the Non-Contributory Pensions account became available when one person passed away. The resulting surplus in the account is being redistributed throughout the budget.

**MOTION: On a motion by Councilor Cox, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve Special Budgetary Transfer 2014-SBT-**

**4 for \$10,000 from Pensions, Non-Contributory Pensions, Account #101000.10.911.51870.0000.00.000.00.051 to Purchasing, Advertising, Account #101000.10.138.53480.0000.00.000.00.052 in order fully fund the advertising account for FY14.**

**5. *Special Budgetary Transfer Request 2014-SBT-5 from CFO in the amount of \$533.72***

Mr. Towne said this is to fund contractually agreed salary increase for a staff member in the Veterans Services Department, and the transfer will eliminate a projected deficit at year end.

**MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve Special Budgetary Transfer 2014-SBT-5 for \$533.72 from Vocational School Assessment, Account #101000.10.942.56200.0000.00.000.00.056 to Veterans Services, Salary/Wages Full-time, Account #101000.10.543.51100.0000.00.000.00.051 to fund a step increase in wages that occurred after the FY14 budget was set.**

**6. *Special Budgetary Transfer Request 2014-SBT-6 from CFO in the amount of \$30,000***

Mr. Towne noted the following: that a five year analyses on the expenditures in the Veterans Services Department was done which indicated that the amount appropriated in the Fiscal Year 2014 budget would be insufficient. This transfer should pay for required services through the rest of the year based on the current caseload. Should the caseload change, it may require a small transfer at the end of the fiscal year. Funds may be moved between medical and fuel support and other benefits as well, as the Veteran's Agent see fit in support of the City's veterans.

**MOTION: On a motion by Councilor Cox, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve Special Budgetary Transfer 2014-SBT-6 for \$30,000 from Vocational School Assessment, Account #101000.10.942.56200.0000.00.000.00.056 to Veterans Services, Medical, Account #101000.10.543.57720.0000.00.000.00.057 in order to fully fund the Veterans Services medical account for Fiscal Year 2014.**

**7. *Special Budgetary Transfer Request 2014-SBT-7 from CFO in the amount of \$10,000***

Mr. Towne explained that the City will be saving funds from the Vocational School Assessment because they issued their short term debt for one more year rather than moving it to long term debt as previously predicted during budget season. The Vocational School board will finalize their vote today, and in anticipation of that affirmative vote, those funds are being made available. Mr. Towne said meter poles, heads and meter components desperately need replacement at this time. A single brand new head costs \$600 and a double head meter is almost double that. The money will fix those meters that are cloudy and difficult to read, which will reduce complaints as well, Mr. Towne said. He noted that 10 parking kiosks have replaced 220 parking meters; with kiosks costing about \$12,000 each. He said Main Street and the Fitz Henry Lane Lot are slated to have meters replaced with kiosks. A parking study is being conducted and that combined with the one-year kiosk information will give further information to guide the decision as to where the next kiosks will be placed to replace parking meters.

Police Chief Campanello confirmed the parking enforcement staff finds it easier to enforce laws for spaces governed by parking kiosks than those governed by parking meters.

Councilor Cox urged Mr. Towne to consider placing stickers on new City meters and on as many of the current meters as possible to explain in brief the anti-shuffling ordinance.

Mr. Towne pointed out, on inquiry by Councilor McGeary, that for meter parking payment, credit card meters are not cost effective as City parking rates are too low; it is more cost effective for areas such as a parking garage or other long-term parking situations.

Councilor Ciolino and Chief Campanello discussed briefly the "Go" cart for use by parking enforcement personnel to navigate the downtown area which has been found to be very effective.

**MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve Special Budgetary Transfer 2014-SBT-7 for \$10,000 from Vocational School Assessment, Account #101000.10.942.56200.0000.00.000.00.056 to Police-Parking, Parking Meter Maintenance, Account #101000.10.218.52570.0000.00.000.00.052 for the purpose of buying additional parts and equipment.**

**8. *Special Budgetary Transfer Request 2014-SBT-8 from CFO in the amount of \$580.41***

**Mr. Towne** said there is about \$4,800 available in Department 900 (General Fund-Special Reserve), and that cost of a cost of living adjustment for the administrative staff at the Police Department had been overlooked in preparing the FY 2014 budget.

**MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve Special Budgetary Transfer 2014-SBT-8 for \$580.41 from General Fund-Special Reserve, Salary/Wages Permanent Positions, Account #101000.10.900.51100.0000.00.000.00.051 to Police Parking, Salary/Wages Permanent Positions, Account #101000.10.218.51100.0000.00.000.00.051 for the purpose of clearing an estimated deficit in this account.**

**9. *Special Budgetary Transfer Request 2014-SBT-9 from CFO in the amount of \$3,777.59***

**Mr. Towne** said this transfer was also to pay for an inadvertently unfunded cost-of-living-allowance calculation in the FY 2014 budget.

**MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve Special Budgetary Transfer 2014-SBT-9 for \$3,777.59 from General Fund-Special Reserve, Salary/Wages Permanent Positions, Account #101000.10.900.51100.0000.00.000.00.051 to Police Administration, Salary/Wages Permanent Positions, Account #101000.10.210.51100.0000.00.000.00.051 for the purpose of clearing an estimated deficit in this account.**

**10. *Special Budgetary Transfer Request 2014-SBT-10 from the Police Department in the amount of \$2,043.20***

**Chief Campanello** said this transfer is for the purpose of a temporary salary upgrade related to his position, used when he is out of the City for the day for his lieutenant who stands in for him at such times. This line item was reduced based on previous history, but it was noted that the former Chief was under a different departmental structure,

**MOTION: On a motion by Councilor Cox, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve Special Budgetary Transfer 2014-SBT-10 for \$2,053.20 from Police-Uniform, Salary/Wage-Permanent Position, Account #101000.10.211.51100.0000.00.000.00.051 to Police Administration, Temporary Upgrade, Account #101000.10.210.51170.0000.00.000.00.051 for the purpose of funding this account due to a contractual cost.**

**11. *Supplemental Appropriation-Budgetary Request #2014-SA-3 from the DPW in the amount of \$35,000***

**Mark Cole**, Assistant DPW Director, said the \$35,000 is for the city's spring paving program. **Councilor Cox** thanked Mr. Cole for the DPW's paving program in Ward 2.

**MOTION: On a motion by Councilor Cox, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve Supplemental Appropriation 2014-SA-3 in the amount of \$35,000 (Thirty Five Thousand Dollars) from the Highway Force Account, Account #294015 to Public Services Paving, Account #101000.10.470.58415.0000.00.000.00.058 for the purpose of funding various paving projects throughout the City.**

**12. *Memorandum, Grant Application & Checklist from Fire Chief re: FFY2012 USDHS/FEMA (EMPG) grant in the amount of \$5,000***

**Chief Eric Smith** said that this is the acceptance of a Federal Emergency Management Agency (FEMA) and the Massachusetts Emergency Management Agency FFY2012 US Department of Homeland Security/FEMA Emergency Management Performance Grant for \$5,000 to purchase "go kits" for 50 Medical Reserve Corps (MRC) and Citizens Emergency Response Team (CERT) volunteers. He noted the "go kits" function as an incentive for joining the organizations and remaining active. The in-kind match is Carol McMahan's time. He pointed out to the committee the

collaborative relationship between the Fire Department and the Department of Public Health during City and regional public emergencies.

**MOTION: On a motion by Councilor Cox, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council accept under MGL c. 44, Sec. 53A ) an FFY2012 US Department of Homeland Security/FEMA Emergency Management Performance Grant in the amount of \$5,000 through the Federal Emergency Management Agency (FEMA) and the Massachusetts Emergency Management Agency (MEMA) for the purpose of purchasing “go kits” for 50 Medical Reserve Corps (MRC) and Citizens Emergency Response Team (CERT) volunteers.**

**13. Memorandum, Grant Application & Checklist from Public Health Director re: acceptance of a MEMA grant (State Homeland Security-Citizens Corps Program) in the amount of \$7,500**

**Noreen Burke**, Public Health Director, said there is an in-kind match for the grant before which is met by allocating some of her and Karin Carroll’s time to coordinate shelter training. Ms. Carroll, it was noted, is the North Shore Emergency Preparedness Coordinator for 15 North Shore communities and works out of the Department of Public Health offices. The grant primarily funds the Medical Reserve Corps Coordinator position who also works out of the department’s offices. This grant funding is specific to funding the trainer for volunteers in member North Shore communities for best practices in shelter management which is offered through the Red Cross, as well as to recruit volunteers to attend the training. She added this also include some funding for supplies.

She pointed out that in extreme emergencies poor people have nowhere to go and typically avail themselves of shelters in such situations. They also tend to have very special needs, both mental and physical, as well as the need for sheltering their pets. This all has to be planned for. Ms. Carroll has worked in partnership with the Chief Smith and Ms. McMahon and noted the grant for “go kits” for volunteers was a part of that cooperative effort. It was noted that there are 361 volunteers in the MRC database for the 15 member communities; 150 volunteers are considered active with at least 80 of those volunteers from Gloucester. **Ms. Carroll** said the Red Cross conducts the trainings. In the event of a disaster the Red Cross would coordinate relief efforts through the State. They are an asset of the State and would deploy to a regional site. The work is to support the Red Cross regionally; but it also means sheltering during extreme heat and opening a cooling shelter. **Ms. Burke** added that the Medical Reserve Corps Coordinator recently resigned, and the part-time position is being posted.

**Councilor Ciolino** noted that dog cages have been purchased for a shelter in Gloucester through a grant; he asked how this is being coordinated. **Fire Chief Eric Smith** said that it is a coordinated effort between him, Ms. McMahon, Ms. Burke, and Ms. Carroll. The Emergency Operations Center is now at the O’Maley School. Local sheltering might also be at O’Maley School, but that requires certification by the Red Cross. **Chief Smith** noted that there are different plans for different kinds of events. The O’Maley School as a shelter would be for local emergencies for a small number of people such as a fire or a local nursing home losing its heating capacity.

**Councilor Ciolino** asked that the City’s local emergency sheltering plan be forwarded to the Council, and **Councilor McGeary** asked that when the new Emergency Operations Center at the O’Maley School is fully in place, Councilors would like a tour.

**Councilor Cox** disclosed that she is a member of the Medical Reserve Corps and Citizens Emergency Response Team as a volunteer with no financial interest in either organization, and therefore is able to participate in the vote.

**MOTION: On a motion by Councilor Cox, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council accept under MGL c. 44, Sec. 53A a grant in the amount of \$7,500 through the Federal Emergency Management Agency (FEMA) and the Massachusetts Emergency Management Agency (MEMA) a FFY2012 State Homeland Security – Citizen Corps Program for the purpose of building the Medical Reserve Corps (MRC) capacity during public health emergencies throughout the North Shore and Cape Ann.**

**14. Request for acceptance the Massachusetts Cultural Council FY2014 Local Cultural Council funds in the amount of \$6,470**

**Mr. Duggan** said the grant is annual funding that the Massachusetts Cultural Council gives to local Cultural Councils for them to allot to local cultural groups through local grant applications and awards. It was pointed out in the brief discussion that this funding from the State is in a form of a grant to the City’s Cultural Council, although

documentation refers to it as an allotment. **Mr. Duggan** noted that this State grant is not funding specific to the City's two cultural districts.

**MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council accept under MGL c. 44, Sec. 53A a grant in the amount of \$6,470 from the Massachusetts Cultural Council to the Gloucester Cultural Council for the purpose of supporting cultural projects in the City of Gloucester by the Gloucester Cultural Council.**

**15. Request from the DPW to pay invoices in the amount of \$1,344 and \$192 for services procured in FY2013 with FY2014 funds**

**Mr. Cole** explained that these invoices from the Ipswich Police Department were only received in mid-October by the DPW. **Councilor McGeary** noted that the \$1,344 was for a 12-hour shift.

**MOTION: On a motion by Councilor Cox, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council under MGL Chapter 44, §64 authorize payment of outstanding invoices incurred by the Department of Public Works for services received in FY13 from the Town of Ipswich Police Department for a net total of \$1,536.00 and to be paid from the current FY14 Water Enterprise Account #610000.10.450.52000.0000.00.000.00.052 as follows:**

Ipswich Police Department	Inv. #2505	Dated 4/24/13	\$1,344.00
Ipswich Police Department	Inv. #2522	Dated 4/25/13	<u>\$ 192.00</u>
		NET TOTAL:	\$1,536.00

**MOTION: On a motion by Councilor Cox, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council authorize payment of outstanding invoices from the Town of Ipswich Police Department incurred by the Department of Public Works for services received in FY13 from the Ipswich Police Department for a net total of \$1,536.00 for services and to be paid from the current FY14 Water Enterprise-Contract Services, Account #610000.10.450.52000.0000.00.000.00.052 without a purchase order in place as follows:**

Ipswich Police Department	Inv. #2505	Dated 4/24/13	\$1,344.00
Ipswich Police Department	Inv. #2522	Dated 4/25/13	<u>\$ 192.00</u>
		NET TOTAL:	\$1,536.00

**16. Letter from Executive Director of PERAC re: Appropriation for Fiscal Year 2015**

The Committee had a brief discussion with Mr. Towne and Mr. Costa regarding the contents of the Letter from the Executive Director of the Public Employees Retirement Administration Commission relating to pension funding and distribution for the Gloucester Housing Authority and the City, and how it relates to the Fiscal Year 2015 budget, the funding process and future funding for the pension obligations of the City.

**MOTION: On a motion by Councilor Cox, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed to accept the Letter from Executive Director of the Public Employees Retirement Administration Commission (PERAC) re: Appropriation for Fiscal Year 2015 for its files.**

**17. CC2013-052 (Whynott/Verga/Cox/Theken) Request the Administration to reduce FY14 Water and Sewer Rate**

**Councilor McGeary** said this matter is from CC2013-052, that the Council request that the Mayor's office appropriate water and sewer retained earnings as of July 1, 2013, once certified and approved by the DOR this fall, for the purpose of reducing the FY14 water rate of \$9.17 per 1,000 gallons and sewer rate of \$12.21 per 1,000 gallons. He asked whether the rates can be amended by the Council once they have been set in the budget process. **Mr. Costa** said he understood the rates could be reduced but refunds would have to be issued to all water and sewer ratepayers should the rates be rolled back. **Mr. Towne** discussed ramifications of refunds to all sewer and water users as a result of a possible reduction in rates with the Committee. **Councilor Ciolino** suggested that this matter should be put forward for the new Council.

**Councilor McGeary** noted he had asked Mr. Duggan to prepare what the City has in mind for the free cash and retained earnings and free cash in the Water and Sewer Enterprise Funds.

**Overview:**

**Mr. Duggan** said that the DPW director was unable to attend this evening's meeting to participate in this discussion. He referred to a one page chart which was forwarded to Councilor McGeary (placed on file with a brief cover memo dated Nov. 20, 2013) and related the following information:

The chart showed the Water Department's recently certified Enterprise Fund balance of \$434,458 and +/- \$500,000 in the Water Construction Fund. The Water Construction Fund consists of money taken in for water connections fees from new water customers, which have built up over time. It was noted this is not part of free cash but is part of retained earnings and would be money that is available for appropriation by the City Council.

**Water Enterprise Fund/Water Construction Fund:**

**Mr. Duggan** said there had been movement on the Commercial Street infrastructure project, and he said he had confirmed that the \$3 million State grant funding for the water and sewer infrastructure work is still available, and will be available when the project gets started. MassDevelopment is very supportive of what the City's infrastructure's efforts, he said. A pre-contract form has been submitted by the Administration to the State as a placeholder for the funds that outlined the project timing that will need to be updated. The City team with the contracted project engineers will work with the developer on updating the infrastructure project's dates and milestones.

The main issue is ongoing capital improvements that have to be done which leaves a zero balance for the DPW in the event of an emergency. It was reiterated that the \$500,000 is a separate fund, and is a result of fees paid to the City for connections and particular water work done, which has been piling up, and can only be used for construction projects. Even with the \$500,000 and \$438,000 it will not leave much of a reserve. Mr. Hale's priority projects include \$500,000 for the Commercial Street project. The Hesperus Avenue water quality project is a high priority for Mr. Hale; and a portion of the \$434,458 will be for that project which would leave a small balance for emergencies.

For every \$100,000 of investment into the water infrastructure it would bring the water rate down by \$0.14 per 1,000 gallons. If all the funds (rounded to \$1 million) were put back into the water rate it would be reduced by \$1.40 per 1,000 gallons, but then the City would have to bond for all the capital improvements that are on the necessary projects list. It was pointed out that the money could not be used to reduce the water rate because it is designed for capital projects (\$500,000).

**Councilor Ciolino** pointed out that lowering the water and sewer rate had been tried before. The rate was lowered, the reserve account was depleted and the following year, he said; the rates skyrocketed because of the need to fund necessary infrastructure repair work, etc. **Councilor Ciolino** noted that folks think a rate reduction saves money, but in reality it doesn't work.

**Councilor McGeary** agreed that a rate reduction would be a short-term, feel-good action. This money should be put to use on City infrastructure. **Mr. Duggan** said although there is a comfort level for reserves at \$500,000 it is not Mr. Hale's preferred comfort level – he would rather see closer to \$1 million in place. **Councilor McGeary** asked if the \$500,000 in retained earnings/construction money could serve as a reserve. **Mr. Duggan** said \$500,000 is needed to do Commercial Street whether it comes out of reserves or a construction fund. It is not the recommendation that the entire \$890,000 be done immediately.

**Sewer Enterprise Fund/Water Construction Fund:**

**Mr. Duggan** reviewed very briefly the certified Sewer Enterprise Fund balance of \$1,600,685 and the projects the money is earmarked for, leaving a reserve balance of \$480,685. For every \$100,000 spent on sewer infrastructure, it reduces the sewer rate by \$0.19 per 1,000 gallons.

**Mr. Duggan** and **Councilor McGeary** discussed at what level the reserve should be set at. **Mr. Duggan** pointed out that the requirement for a secondary treatment is not going away, and the cost of that project has been estimated at between \$40 million and \$70 million. **Councilor McGeary** asked if that debt could be excluded from Proposition 2 ½ by a vote of the Council. **Mr. Duggan** replied that any debt exclusion to cover the cost would require a vote of the people. He did note that debt exclusions, unlike straight overrides, are removed when the debt is paid off. **Mr. Towne** added that the water boil order cost \$830,000 out of reserves. **Councilor McGeary** said in order to head off the request that the money be used to directly offset the sewer and water rates, there has to be a good plan for the use of the money in infrastructure. **Mr. Duggan** said this isn't a lot of money; it is in the best interest to keep a balance in the reserve account. It was because of having a sufficient reserve balance the City was able to pay for the boil water order.

**Mr. Towne** and **Councilor McGeary** discussed Enterprise Funds and that the Funds are there for emergencies. It was pointed out that the water rate will go up again next year because water infrastructure short-term debt is going to long term. On inquiry by **Councilor Cox** as to how many residences are not on City water and sewer **Mr. Duggan** said it was 3,000.

**Councilor McGeary** requested a formal opinion from the Administration on the matter of who can vote a debt exclusion for sewer and water projects. **Mr. Duggan** said he would have General Counsel draft a memo to the Budget & Finance Committee for its consideration by its next regularly scheduled meeting.

**This matter is continued to December 5, 2013 pending further information from the Administration.**

**Special Budgetary Transfers related to City Clerk's Department Reorganization:**

The following two matters were related to the reorganization of the City Clerk's Department and the Registration Department. As a part of that reorganization, four employees were placed into specific salary steps retroactive to July 1, 2013. Some funds were moved internally in Department 163, Registration, by ordinary transfers to partially fund costs in the Registration Department. The two Special Budgetary Transfers below complete that reorganization funding process. These funds had been set aside during the FY14 budget review in Department 900, Special Reserve, under Contractual Services.

**MOTION: On a motion by Councilor Cox, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve Special Budgetary Transfer 2014-SBT-11 in the amount of \$1,234.00 (One Thousand Two Hundred Thirty Four Dollars) from General Fund, Special Reserve, Account #101000.10.900.52000.0000.00.000.00.052 to Registration, Salary/Wage-Permanent, Account # 101000.10.163.51100.0000.00.000.00.051 to partially fund salary increase as a result of the City Clerk's Department reorganization.**

**MOTION: On a motion by Councilor Cox, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve Special Budgetary Transfer 2014-SBT-12 in the amount of \$12,323 (Twelve Thousand Three Hundred Twenty Three Dollars) from General Fund, Special Reserve, Account #101000.10.900.52000.0000.00.000.00.052 to City Clerk, Salary/Wage-Permanent, Account # 101000.10.161.51100.0000.00.000.00.051 to fund salary increases as a result of the City Clerk's Department reorganization.**

**18. *Memorandum from City Auditor regarding accounts having expenditures that exceed their authorization And Auditor's Report***

**Mr. Costa** submitted his reports to the Committee. No Committee discussion ensued.

The Committee set a start time of 4:00 p.m. for the Thursday, December 5, 2013 regularly scheduled meeting.

**A motion was made, seconded and voted unanimously to adjourn the meeting at 7:55 p.m.**

**Respectfully submitted,**

**Dana C. Jorgenson**  
Clerk of Committees

**DOCUMENTS/ITEMS SUBMITTED AT MEETING:**

- Memo from Jim Duggan, CAO to Councilor Paul McGeary dated November 20, 2013 re: Water and Sewer Enterprise Funds Proposed Expenditures
- Actual Amount Overdrawn Report FY2014 and Projected Amount Overdrawn Report FY2014 from City Auditor