

Budget & Finance Committee
Thursday, April 3, 2014 – 5:00 p.m.
1st Fl. Council Committee Room – City Hall
Minutes

Present: Chair, Councilor Melissa Cox; Vice Chair, Councilor William Fonvielle; Councilor Paul McGeary
Absent: None.

Also Present: Kenny Costa; John Dunn; Lieutenant John McCarthy; Linda T. Lowe, Suzanne Egan

The meeting was called to order at 5:02 p.m. Matters were taken out of order.

1. Memorandum from General Counsel re: Gloucester/Rockport Intermunicipal Agreement (IMA) for sewer services

Councilor Cox announced that as an employee of the Town of Rockport pursuant to MGL c. 268A and under the advice of the State Ethics Commission she is unable to participate in the discussion and vote on the Gloucester/Rockport Intermunicipal Agreement (IMA) for sewer services due to a conflict of interest. **Councilor Cox** left the Committee table.

Suzanne Egan, General Counsel, explained that before the Committee is an extension of the Gloucester/Rockport Waste Water Intermunicipal Agreement (IMA) for sewer for a term of 10 years ago. She pointed out there are only two changes in the agreement from the previous IMA:

- The length of time the houses on Long Beach can be used. In the previous IMA the term of use was April to October. In the new agreement the term is April to December.
- There is now a provision that gives the city the ability to look at whether any increase in flow will have a negative impact on the city resources before the city accepts it.

Responding to direct questions from Committee members, **Ms. Egan** explained the following:

- The original agreement was for a ten year term which ended in 2000. The terms of the agreement continued until a new agreement was negotiated. The new term extends from 2014 to 2024; renewal is not automatic but will be renegotiated.
- If a house or houses were added to the system but kept the waste water flow under the 35,000 gallons limit, the agreement says Gloucester shall accept that. Under the original agreement Rockport would still have to ask the city for approval to add the house(s) into the system.
- Normal waste flow is defined as being compliant with federal and state regulations. This is a highly regulated area of the law. No industrial waste is allowed.
- The agreement is limited to the houses on Long Beach for “normal strength waste water.”

MOTION: On a motion by Councilor McGeary, seconded by Councilor Fonvielle, the Budget & Finance Committee voted 2 in favor, 0 opposed, 1 (Cox) recused, to recommend that the City Council authorize the Mayor to enter into the inter-municipal agreement entitled, “ INTER-MUNICIPAL AGREEMENT FOR WASTEWATER COLLECTION, TREATMENT AND DISPOSAL BETWEEN CITY OF GLOUCESTER, MASSACHUSETTS AND TOWN OF ROCKPORT, MASSACHUSETTS”.

Councilor Cox returned to the Committee table.

2. Special Budgetary Transfer Request (2014-SBT-21) from Police Department

Lieutenant John McCarthy explained that this transfer is a contractual cost for acting pay (for a Lieutenant to act as Police Chief when the Chief is not available due to vacation or other city-related commitments) which was cut back in the FY14 budget. **Councilor Cox** asked how a contractual obligation was overlooked in the budget. **Kenny Costa**, City Auditor, said that while this is a contractual obligation, it is considered an unforeseen expense. Some funds had been budgeted in this account for FY14, however, more was necessary.

MOTION: On a motion by Councilor Fonvielle, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Special Budgetary Transfer 2014-SBT-21 for \$1,592.20 (One Thousand Five Hundred Ninety Two Dollars and Twenty Cents)

from Police Uniform, Salary/Wage-Permanent Position, Account #101000.10.211.51100.0000.00.000.00.051 to Police Administration, Temporary Upgrade, Account #101000.10.210.511700.0000.00.000.00.051 for the purpose of funding the temporary upgrade account to meet contractual obligations.

3. *Special Budgetary Transfer Request (2014-SBT-22) from Police Department*

Lt. McCarthy said that this transfer is to cover a step raise for the department's Chief Clerk who was upgraded from Pay Grade 6 to Pay Grade 7. **Councilor McGeary** noted the money enabling this transfer is from the department's personnel lag funds which were confirmed by **Lt. McCarthy**. **Councilor Cox** added this transfer is to make sure the FY14 funds are made whole in this particular account. She noted the Council had voted in late November to allow for the pay increase (under MGL c. 44, Sec. 64). This is now the actual funding to cover the pay grade increase, **Mr. Costa** noted.

MOTION: On a motion by Councilor Fonvielle, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Special Budgetary Transfer 2014-SBT-22 for \$6,080.55 (Six Thousand Eighty Dollars and Fifty-Five Cents) from Police Uniform, Salary/Wage-Permanent Position, Account #101000.10.211.51100.0000.00.000.00.051 to Police Administration, Salary/Wage-Permanent Position, Account #101000.10.210.51100.0000.00.000.00.051 for the purpose of funds needed to cover a contractual step pay increase.

4. *Special Budgetary Transfer Request (2014-SBT-23) from Police Department*

Lt. McCarthy explained that this transfer is a 2 percent contractual step pay increase for the Animal Control Officer. The contract was not settled at the time of the preparation of the FY14 budget. This funding comes from lag money due to retirements.

MOTION: On a motion by Councilor Fonvielle, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Special Budgetary Transfer 2014-SBT-23 for \$1,023.36 (One Thousand Twenty Three Dollars and Thirty-Six Cents) from Police Uniform, Salary/Wage-Permanent Position, Account #101000.10.211.51100.0000.00.000.00.051 to Animal Control, Salary/Wage-Permanent Position, Account #101000.10.292.51100.0000.00.000.00.051 for the purpose of funds needed to cover a contractual step pay increase for Animal Control Officer.

5. *Special Budgetary Transfer Request (2014-SBT-24) from Police Department*

Lt. McCarthy said that this transfer will fund the School Resource Officer (SRO). The transfer is not from Police Department funds but from a School Department account to reimburse the Police Department. **Councilor Cox** said she was pleased to see the Schools making this transfer. She also observed that the School Resource officer has been an asset in the High School.

Councilor McGeary inquired if moving forward funding for the SRO would be coming from the School Department's budget. **Councilor Fonvielle** said he believed the School Department has included the SRO position in its funding requests for FY15.

Lt. McCarthy said that a sergeant was in the position for the first year of the School Resource Officer program, but the sergeant would be replaced with a patrolman for the coming school year. He pointed out that the sergeant will oversee the patrolman, and that this is a full-time position. He noted that the SRO also goes to sporting events. He explained that police officers work a '4/2' schedule (four days on duty, two days off), and that the SRO works a '5/2' schedule at the school (five days on duty, two days off). The SRO returns to the detective unit during the summer months when school is not in session.

MOTION: On a motion by Councilor Fonvielle, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Special Budgetary Transfer 2014-SBT-24 for \$56,000 (Fifty Six Thousand Dollars) from School Department, Services, Account #101000.29.370.53006.1410.00.270.00.052 to Police Uniform, Salary/Wage-Permanent Position, Account #101000.10.211.51100.0000.00.000.00.051 for the purpose of funding the position of the Gloucester High School Resource Officer.

6. *Special Budgetary Transfer Request (2014-SBT-25) from Department of Public Works*

Councilor Cox said that with her permission the Department of Public Works was excused from sending a representative to the meeting. She explained that these DPW transfers are to fill in the budgetary deficits from the extended winter expenses.

MOTION: On a motion by Councilor Fonvielle, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Special Budgetary Transfer 2014-SBT-25 for \$2,001 (Two Thousand One Dollars) from DPW Solid Waste Disposal, Rent/Lease Equipment, Account #101000.10.403.52740.0000.00.000.00.052 to DPW Facilities, Heating Oil, Account #101000.10.472.52170.0000.00.000.00.052 for the purpose of purchasing heating oil.

7. *Special Budgetary Transfer Request (2014-SBT-26) from Department of Public Works*

MOTION: On a motion by Councilor McGeary, seconded by Councilor Fonvielle, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Special Budgetary Transfer 2014-SBT-26 for \$4,000 (Four Thousand Dollars) from DPW Solid Waste Disposal, Contractual Services, Account #101000.10.403.52000.0000.00.000.00.052 to DPW Facilities, Heating Oil, Account #101000.10.472.52170.0000.00.000.00.052 for the purpose of purchasing heating oil.

8. *Special Budgetary Transfer Request (2014-SBT-27) from Department of Public Works*

MOTION: On a motion by Councilor Fonvielle, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Special Budgetary Transfer 2014-SBT-27 for \$1,258.40 (One Thousand Two Hundred Fifty Eight Dollars and Forty Cents) from DPW Solid Waste Disposal, Household Hazardous Waste, Account #101000.10.403.53720.0000.00.000.00.052 to DPW Facilities Heating Oil, Account #101000.10.472.52170.0000.00.000.00.052 for the purpose of purchasing heating oil.

9. *Special Budgetary Transfer Request (2014-SBT-28) from Department of Public Works*

Responding to an inquiry by **Councilor McGeary, Mr. Costa** said this money is coming from an account for a stipend for a specific DPW position to obtain energy education. That position went unfilled for a period of time so there was lag money enabling this particular transfer.

MOTION: On a motion by Councilor McGeary, seconded by Councilor Fonvielle, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Special Budgetary Transfer 2014-SBT-28 for \$12,000 (Twelve Thousand Dollars) from DPW Facilities, Energy Educational Stipend, Account #101000.10.472.51990.0000.00.000.00.051 to DPW Facilities, Heating Oil, Account #101000.10.472.52170.0000.00.000.00.052 for the purpose of purchasing heating oil.

10. *Special Budgetary Transfer Request (2014-SBT-29) from the City Clerk's Office*

Linda T. Lowe, City Clerk, explained that this is to transfer funds, in addition to funds already set aside of approximately \$700, for the City Clerk's department's laser fiche license. On a yearly basis funds will be budgeted for upkeep and maintenance of the license. She noted licensure is separate for each department. She said this electronic system is for the long-term archiving needs of the department especially for permanent records. The department is the city's official record keeper, she pointed out, and this will allow the storage of these necessary records more efficiently. She said that the state does not yet recognize electronic record keeping, and paper records still are required to be kept. She added that currently the storage of the city's long-term records are in less than ideal environments which threatens the quality and condition of the city's important documentation.

Ms. Lowe explained for the Committee that the company providing the laser fiche service installs the program and charges by licensed user. The license costs several hundred dollars initially and then has an annual charge. She pointed out the \$300 coming from Additional Equipment Account was going to be used for an updated software recording system for the Clerk of Committees but that cost is now being borne by the IT department

MOTION: On a motion by Councilor McGeary, seconded by Councilor Fonvielle, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Special Budgetary Transfer 2014-SBT-29 for \$300 (Three Hundred Dollars) from City Clerk, Additional Equipment, Account #101000.10.161.58500.0000.00.000.00.058 to City Clerk, Miscellaneous Special Office Supplies, Account #101000.10.161.54290.0000.00.000.00.054 for the purpose of funding a portion of the purchase of the LaserFische product and services for the City Clerk's Office.

11. Supplemental Appropriation-Budgetary Request (2014-SA-63) from the Mayor's Office

John Dunn, CFO explained that this Supplemental Appropriation from Free Cash is to fund the rental for the remainder of FY14 of the St. Ann's School - \$56,000 for rent and estimated utilities at \$14,000. **Mr. Costa** said this covers the period of March 1 to June 30. He said the building needs to be renovated which is why the funds are needed. He said the funds have to be transferred first before the lease contract between the city and the Archdiocese can be signed. **Councilor Cox** asked why the city is paying rent for the month of March when the city couldn't access the building, unless it was part of the contract, one which the Council has yet to see. **Mr. Dunn** said no one has accessed the building and that the city is not liable for the rent when the access is not yet available. If the funds are not used the funds return to the city.

Mr. Costa, in response to **Councilor McGeary's** inquiry, said the first \$100,000 in funds previously appropriated by the Council were for soft costs of swing space plans and specifications. **Councilor Cox** suggested that based on the Supplemental Appropriation request before the Committee, the rental of St. Ann's school per month would likely be \$14,000.

Councilor Fonvielle commented when the \$100,000 transfer took place the lease negotiations were underway. He said he would prefer to know about the particulars of the contract before the Council votes on the supplemental appropriation.

Councilor McGeary said not every cost associated with new West Parish School is reimbursed by the state, such as the interim housing for West Parish students. He said that the city has to own some of the costs and part of the city's cost is the swing space. He added that he would want to know how the lease funds will be budgeted.

Councilor Cox asked if the contract signing is dependent on this transfer. **Mr. Dunn** said the contract still has some language to be worked out but that the contract can't be signed unless the funds are in place in the current fiscal year. **Councilor Cox** pointed out that this is asking for funding for a contract that no one has seen. **Mr. Dunn** said the negotiations may take time. Once negotiations are completed, the Administration wants to be able to execute the contract as quickly as possible and that these funds can only be used for a singular purpose. It will be laid out in the contract which the Council will see.

Councilor Cox said she would object to funds expended for the March rent if the city was not actually in the building which she considered to be unfair to taxpayers. She said the contract should specify the date the city can enter the building. She suggested that the money left in the account, if that is the case, should go to fill the Snow & Ice deficit. The Committee discussed cutting \$14,000 from the total amount (equating to one month's rent for St. Ann's School) if the city was not in the building for those 31 days, but the Councilors determined that it was appropriate to vote forward the total amount in order that the contract could be executed.

MOTION: On a motion by Councilor McGeary, seconded by Councilor Fonvielle, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2014-SA-63 in the amount of \$70,000 (Seventy Thousand Dollars) from the General Fund-Undesignated Fund Balance ("Free Cash"), Account #101000.10.000.35900.0000.00.000.00.000 to DPW Facilities, Contracted Services, Account #101000.10.472.52000.0000.00.000.00.052 for the purpose of funding Fiscal Year 2014 rent and utilities for the West Parish School Swing Space.

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

Mr. Costa reviewed his reports with the Committee. He noted expenditures for Snow & Ice has reached a deficit of approximately \$1.4 million.

Mr. Dunn and **Mr. Costa** spoke with the Committee about lingering deficits for some city departments and discussed forwarding transfers to rectify those deficits to the Council as soon as possible so that the Committee was not faced with a myriad of transfers at year end. **Mr. Dunn** said he would clear as many of the deficits that could be

done without Council action and then work on getting those which require transfers approved by the Council to the Committee as soon as possible.

A motion was made, seconded and voted unanimously to adjourn the meeting at 6:00 p.m.

Respectfully submitted,

**Dana C. Jorgensson
Clerk of Committees**

DOCUMENTS/ITEMS SUBMITTED AT MEETING: None.