

Budget & Finance Committee
Thursday, April 17, 2014 – 5:00 p.m.
1st Fl. Council Committee Rm. – City Hall
-Minutes-

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

Also Present: Kenny Costa; John Dunn; Mark Cole; Noreen Burke; Lt. John McCarthy

The meeting was called to order at 5:00 p.m.

1. Memorandum from Community Development Director re: City Council acceptance of anticipated Program Year 2014 CDBG & HOME Grants

Tom Daniel, Community Development Director, said that the Committee to accept the annual grant for Community Development Block Grant (CDBG) for \$633,507 and the North Shore HOME grant for \$66,411. He explained that: The HOME funds go to the department's first time homebuyers' program; and the CDBG grant funds housing rehabilitation programs, public services and public facilities and economic development programs. The programs going forward are consistent with past years. The funding in Program Year (PY) 2013 was slightly less than PY14. The amount of spending in total includes roll-over monies from PY13.

Councilor Cox asked for copies of the grants award letters as these two grant acceptances when forwarded to the Committee were anticipated amounts not confirmed amounts. **Mr. Daniel** confirmed the city was in receipt of the grants awards letters for both grant programs and would forward a copy to the Committee and City Auditor.

Councilor Fonvielle pointed out there was about \$120,000 allocated to administration. **Mr. Daniel** said that the \$120,000 covers staff time (a Senior Project Manager and another Senior Project Manager's position which is vacant and is in the process of being filled) as well as a bookkeeper. Those positions' benefits are all covered by the grant. One Senior Project Manager's salary is covered by the CDBG grant and the North Shore HOME grant, and the housing rehabilitation program staff member draws from program delivery and through administration of it.

Kenny Costa, City Auditor pointed out that there is a cap for the grants as to what can be spent on administration, 20 percent.

Councilor McGeary noted he had heard that the federal Environmental Protection Agency is asking about paperwork on past distributions from the city's Brownfields Cleanup Revolving Loan Fund. He pointed out that the city has had findings in the outside audit of that program for several years. **Mr. Daniel** responded that there is always an audit and reporting of findings. An email was received by his department regarding the documentation is taking action to put procedures into place to prevent issues moving forward and will respond to the inquiry accordingly. He said that he was confident the auditors will be pleased with the department's response.

Councilor Cox questioned some issues surrounding the Cape Ann YMCA Clean Team funding support and asked if the award money is monitored. **Mr. Daniel** said that it is up to the Cape Ann YMCA to monitor their program through their program manager. **Councilor Cox** asked if there is a continuing problem with that particular funded or any other project that experienced issues could grant funding be pulled. **Mr. Daniel** said that as long as the documentation requirements are being met funding wouldn't be lost because of the issues with program particulars. He said it may raise questions of future funding, perhaps, on their delivery of a program and added it is his understanding, however, the YMCA's Clean Team program is a good one. **Councilor Cox** asked about the HOME grant which assists about six first-time homebuyers to assist in the purchase of their first home annually. She suggested that some advertising may be in order to alert the community to the funds available. **Mr. Daniel** said enough people are interested yearly for this program which is why there hasn't been a lot of marketing as there is more demand than funds available. **Councilor Cox** suggested that at the first-time home buyers' class it would be appropriate to mention the funds available through the HOME grant program as a nice way to promote the program. She expressed her appreciation of the wide array of groups that serve the public who receive the grant funding. **Mr. Daniel** said that the public services group funding has a 15 percent cap, and agreed with the Councilor that these groups do important work in the community.

Councilor Fonvielle asked about the \$51,122 accessible parking and sidewalk improvements. **Mr. Daniel** said that is the "leftover" money. Some of the funds are for sidewalk improvements for Americans with Disabilities Act (ADA) accessibility, and noted the example of the recent sidewalk improvements on Washington Street from its intersection with Centennial Avenue to the railroad tracks. He said the department is looking into utilizing the funds to possibly act as a match for a grant for the renovation of the Oval playground. **Councilor Fonvielle** said he and

Councilor LeBlanc have received a request to improve the walkway to the Visitor's Center at Stage Fort Park and asked if those funds could be used for that purpose. **Mr. Daniel** said the improvements would have to be for accessibility and ADA compliance issues in order to be utilized for such a purpose.

Councilor McGeary noted there is \$130,000 earmarked for job creation and asked if the funding had created on-going jobs. **Mr. Daniel** said this is a loan program that for every \$35,000 loaned, a job has to be created for a low- to moderate-income individual. He pointed out that once the jobs are documented the loan monitoring stops. He said it is open as to when the job is created with Housing and Urban Development (the grantor). The job(s) must be created within one year of the loan being executed. He added that in working with a lot of local businesses over the year, the loan committee has approved two loans for two businesses and two other applications are pending, as well as several other prospects. He said prior those loans being issued there hadn't been a loan made since 2010. He noted the loan application period is on-going and clarified this is not a grant program but rather a low interest gap loan and is not for primary lending.

Councilor Cox asked about Brownfield Cleanup program. **Mr. Daniel** said it is part of the economic development package which is separate and not through CDBG and HOME grant programs. He noted the information was included with the packet for the Committee's information.

Councilor Cox disclosed she is a member of the Burnham's Field Community Garden which is a recipient of CDBG funding but that she doesn't receive financial remuneration and would be able to vote on the grant acceptance.

The Committee voted unanimously to amend the drafted motion to remove the word "anticipated" and then voted the final motion as shown:

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 under MGL c. 44, §53A accept anticipated grants in the amount of \$633,507 for the Community Development Block Grant Program from the U.S. Department of Housing and Urban Development for Program Year 2014 and the HOME grant from the North Shore HOME Consortium in the amount of \$66,411.

2. *Special Budgetary Transfer Request (2014-SBT-30) from Police Department*
3. *Special Budgetary Transfer Request (2014-SBT-31) from Police Department*

Lieutenant John McCarthy of the Police Department explained that these are two small transfer requests coming out of the Uniform Wage Account to be transferred to Police Administration and to Police Parking both for non-use of sick pay by employees of the 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-30 for \$700 (Seven Hundred Dollars) from Police Uniform, Salary/Wage-Permanent Position, Account #101000.10.211.51100.0000.00.000.00.051 to Police-Administration, Sick Incentive Pay, Account #101000.10.210.51944.0000.00.000.00.051 for the purpose of funding sick incentive pay for the Police Department.

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-31 for \$300 (Three Hundred Dollars) from Police Uniform, Salary/Wage-Permanent Position, Account #101000.10.211.51100.0000.00.000.00.051 to Police-Parking, Sick Incentive Pay, Account #101000.10.218.51944.0000.00.000.00.051 for the purpose of funding sick incentive pay for the Police Department.

4. *Special Budgetary Transfer Request (2014-SBT-32) from the Department of Public Works*
5. *Special Budgetary Transfer Request (2014-SBT-33) from the Department of Public Works*
6. *Special Budgetary Transfer Request (2014-SBT-34) from the Department of Public Works*

Mark Cole, Assistant DPW Director, said that these internal transfers come under same basic concept as with the transfers approved two weeks ago by the Council which is filling budget funding gaps for heating city buildings. Even with these transfers the department will still be short, he said. He pointed out that although the pricing has

remained stable for heating oil, because of the extended heating season it has impacted the need to purchase more heating oil than could have been anticipated.

Mr. Cole explained that the reason for the transfer for natural gas is that the basis for the calculation of the FY14 base year used for the natural gas contract was a warm winter, and that the city is now paying charges for using natural gas above the base average usage. The contract expires this spring and the Director is working on the next contract which will have a better base usage rate and a better pricing structure, he said. He added that it is hoped between his department and the CFO a bit more money may be found internally to fund the budget gap.

Councilor Cox expressed her appreciation that the DPW is bringing forward these matters to the Committee ahead of the budget season.

Councilor McGeary inquired what had been budgeted for FY14 for heating oil and natural gas. Mr. Cole said \$489,500 was budgeted for heating \$230,650 for natural gas. He noted there were still a few more outstanding bills to be covered. He also pointed out that there is an energy adviser who negotiates on the department's the contracts behalf. He said DPW Director, Mike Hale, had informed him that the department came into the last negotiation late and didn't get a very good rate, but he said the new rate will be a much better one for FY15.

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-32 for \$1,300 (One Thousand Three Hundred Dollars) from DPW Administration, Out-of-State Travel, Account #101000.10.421.57200.0000.00.000.00.057 to DPW Facilities, Heating Oil, Account #101000.10.472.52170.0000.00.000.00.052 for the purpose of purchasing heating oil.

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-33 for \$1,500 (One Thousand Five Dollars) from DPW Administration, Employee Training, Account #101000.10.421.53004.0000.00.000.00.052 to DPW Facilities, Heating Oil, Account #101000.10.472.52170.0000.00.000.00.052 for the purpose of purchasing heating oil.

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-34 for \$12,000 (Twelve Thousand Dollars) from DPW Central Temporary Positions, Account #101000.10.499.51200.0000.00.000.00.051 to DPW Facilities, Natural Gas, Account #101000.10.472.52150.0000.00.000.00.052 for the purpose of purchasing natural gas.

7. Memorandum & Grant Application Checklist from Public Health Director re: City Council Acceptance of a NACCHO grant award in the amount of \$3,500

Noreen Burke, Public Health Director, in response to direct questioning by the Committee explained the following: This small grant award of \$3,500 that the Public Health Department applies for each year from the National Association of City and County Health Officials (NACCHO), an industry organization of local public health departments. This grant assists in supplementing the Medical Reserve Corps (MRC) role, previously a 19 hour per week position in the department which has been restructured to a consultant position now held by a consultant who does MRC work statewide. The MRC is an organization of medical and non-medical volunteers who would be activated in the event of a major emergency when countermeasures (medications) would have to be dispensed. Gloucester is the host community of the North Shore/ Cape Ann Emergency Planning Coalition efforts. This grant helps to build capacity around the MRC. In the past these funds have been used to pay for travel time for the city's MRC Coordinator. NACCHO grant funds were recently used to pay for a radio ad on FM104.9 to announce the shelter fundamentals training which Carol McMahan, Assistant to the Emergency Management Director and Karen Carol of the Public Health Department brought Community Emergency Response Team (CERT) led by the Red Cross. In the event of a shelter emergency, the city would support the Emergency Management Director, although sheltering is not the primary directive of the MRC and a local public health department, but her department would play a role in activating volunteers especially if it is a prolonged emergency event.

The consultant is already hired. There is another small amount of grant money that is just for MRC. She noted there is another grant for \$170,000 which funds Ms. Carol's position for grants administration. Another grant of about \$13,000 comes through the Westford Health Department which also assists in funding the MRC Coordinator. The NACCHO grant pays for different things related to the MRC. The total approximate budget for MRC is about \$20,000 to \$24,000 in grants that support the coordinator's position which is considered split funding. All

volunteers have to be extensively vetted, credentialed and issued badges which have an expense attached to each process. The MRC Coordinator has her hand in all those tasks. The \$3,500 can be used for anything related to the MRC except for foodstuffs.

MOTION: On motion by Councilor McGeary, seconded by Councilor Fonvielle, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend to the City Council under MGL c. 44, §53A to accept a grant of \$3,500 from the National Association of County and City Health Officials (NACCHO) to provide funding to expand the capacity of the North Shore Medical Reserve Corps (MRC) volunteers.

8. *Communication from Judith Hoglander, Chair of the Committee for the Arts re: Roger Armstrong's proposed restoration of eight bronze cenotaphs & plaques at City Hall*

Councilor Fonvielle said he had spoken with Mr. Armstrong who was unable to attend the meeting. It was noted that Mr. Armstrong is volunteering to restore the bronze cenotaphs and plaques, with an estimated value of \$9,500.

Kenny Costa, City Auditor, discussed with the Committee whether there was a need to vote on this matter as it was not a new asset but a fixed asset. **John Dunn**, CFO, added that the city is not writing a check to someone else, and he is not writing a check to a vendor. This service has value, he said, but in terms of an acceptance by the Council, it is not necessary in his opinion.

Councilor Cox said the Committee for the Arts can write a letter to Mr. Armstrong thanking him for his donation of time for the restoration, but she agreed there is no action that needs to be taken by the Committee or the Council. The Committee determined it would continue the matter in order to speak with Ms. Hoglander and Mr. Armstrong.

This matter is continued to May 8, 2014.

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

Mr. Costa reviewed his documentation with the Committee. He and **Mr. Dunn** briefly discussed with the Committee about FY14 year-end anticipated financial issues, and the Administration's covering of the Snow & Ice deficit.

The Committee discussed the possible change of date for the first budget meeting and agreed to change the first meeting of May 7 for a review of revenues and the Cherry Sheet to Wednesday, May 28 and move the meeting on the Enterprise Funds and Sewer and Water Rate to Wednesday, May 7.

A motion was made, seconded and voted unanimously to adjourn the meeting at 6:05 p.m.

Respectfully submitted,

Dana C. Jorgenson
Clerk of Committees

DOCUMENTS/ITEMS SUBMITTED AT MEETING: None.