



GLOUCESTER CITY COUNCIL

Budget & Finance Committee

Thursday, January 22, 2015 – **4:30 p.m.**

1st Fl. Council Committee Rm. – City Hall

(Items May be taken out of order at the discretion of the Committee)

***** AMENDED AGENDA *****

1. *Special Budgetary Transfer Request (2015-SBT-28) from Police Department*
2. *Special Budgetary Transfer Request (2015-SBT-29) from Police Department*
3. *Special Budgetary Transfer Request (2015-SBT-30) from Public Health Department*
4. *Administration's supplemental budget requests from free cash:*
 - 2015-SA-11: Funds to replenish Mayor's contingency fund (\$10,000) (Cont'd from 01/08/15)
 - 2015-SA-18: Funds to be set aside for future purchases of Chromebooks by the Gloucester School Dept. (\$150,000) (Cont'd from 01/08/15)
5. *Overview and Discussion of FY14 Tax Recap by City Auditor and CFO (Cont'd from 01/08/15)*
6. *Memo from City Auditor regarding accounts having expenditures which exceed their authorization & Auditor's Report*

COMMITTEE

Councilor Melissa Cox, Chair

Councilor William Fonvielle, Vice Chair

Councilor Paul McGeary

CC: Mayor Theken
Jim Destino
Kenny Costa
John Dunn
Police Chief Leonard Campanello

The listing of matters is those reasonably anticipated by the Chair which may be discussed at the meeting. Not all items listed may in fact be discussed and other items not listed may also be brought up for discussion to the extent permitted by law.

**City of Gloucester
Special Budgetary Transfer Request
Fiscal Year 2015**

INTER-departmental requiring City Council approval - 6 Votes Required
 INTRA-departmental requiring City Council approval - Majority Vote Required

TRANSFER # 2015-SBT- 28 *Auditor's Use Only*

DEPARTMENT REQUESTING TRANSFER: POLICE

DATE: 12/18/2014 BALANCE IN ACCOUNT: \$ 6,000.00

(FROM) PERSONAL SERVICES ACCOUNT # 101000.10.211.51490.0000.00.000.00.051
Unfund Account #

(FROM) ORDINARY EXPENSE ACCOUNT # Police-Uniform, Specialty Position Stipend
Unfund Account #
Account Description

DETAILED EXPLANATION OF SURPLUS: 2 Officers chose comp time instead of payment.

(TO) PERSONAL SERVICES ACCOUNT # 101000.10.211.54280.0000.00.030.00.054
Unfund Account #

(TO) ORDINARY EXPENSE ACCOUNT # Police-Uniform, Misc Spec Off Suppl
Unfund Account #
Account Description

DETAILED ANALYSIS OF NEED(S): This account is used to fund purchases for the up keep of the dept K-9's. Funds needed to buy supplies for their at home kenneling.

TOTAL TRANSFER AMOUNT: \$ 1,500.00

NEW BALANCE IN ACCOUNTS AFTER TRANSFER
FROM ACCOUNT: \$ 3,800.00
TO ACCOUNT: \$ 1,500.00

APPROVALS: 

DEPT. HEAD:  DATE: 12/18/14

ADMINISTRATION:  DATE: 1/5/15

BUDGET & FINANCE: _____ DATE: _____

CITY COUNCIL: _____ DATE: _____

**City of Gloucester
Special Budgetary Transfer Request
Fiscal Year 2015**

INTER-departmental requiring City Council approval - 6 Votes Required
 INTRA-departmental requiring City Council approval - Majority Vote Required

TRANSFER # 2015-SBT- 29 *Auditor's Use Only*

DEPARTMENT REQUESTING TRANSFER: POLICE

DATE: 12/17/2014 BALANCE IN ACCOUNT: \$ 600.00

(FROM) PERSONAL SERVICES ACCOUNT # 101000.10.210.51500.0000.00.000.00.051
Unfund Account #

(FROM) ORDINARY EXPENSE ACCOUNT # _____
Unfund Account #

POLICE-ADMIN, LEONARD ST. INCENTIVE

Account Description

DETAILED EXPLANATION OF SURPLUS: FY15 PAYMENT PAID 7/11/14 SURPLUS LEFT IN ACCOUNT

(TO) PERSONAL SERVICES ACCOUNT # _____
Unfund Account #

(TO) ORDINARY EXPENSE ACCOUNT # 101000.10.210.57100.0000.00.000.00.057
Unfund Account #

Account Description

DETAILED ANALYSIS OF NEED(S): FUNDS NEEDED TO PAY OFFICER TRAVEL

TOTAL TRANSFER AMOUNT: \$ 600.00 NEW BALANCE IN ACCOUNTS AFTER TRANSFER
FROM ACCOUNT: \$ _____
TO ACCOUNT: \$ 280.54

APPROVALS: [Signature]
DEPT. HEAD: [Signature] DATE: 12/18/14
ADMINISTRATION: [Signature] DATE: 1/5/15
BUDGET & FINANCE: _____ DATE: _____
CITY COUNCIL: _____ DATE: _____

**City of Gloucester
Special Budgetary Transfer Request
Fiscal Year 2015**

INTER-departmental requiring City Council approval - 6 Votes Required
 INTRA-departmental requiring City Council approval - Majority Vote Required

TRANSFER AMOUNT: 30 *Secretary (400.00)*

DEPARTMENT REQUESTING TRANSFER: Public Health

DATE: 12/31/2014 BALANCE IN ACCOUNT: \$ 25,675.00

(FROM) PERSONAL SERVICES ACCOUNT # United Account # 101000.10.010.01100.0000.03.000.00.001

(FROM) ORDINARY EXPENSE ACCOUNT # United Account # Public Health, Cal/Wage - Perm Per

DETAILED EXPLANATION OF SURPLUS: Available funds in salary line due to vacancies

(TO) PERSONAL SERVICES ACCOUNT # United Account #

(TO) ORDINARY EXPENSE ACCOUNT # United Account # 101000.10.010.07000.0000.00.000.00.007
Public Health, Other Charge/Response

DETAILED ANALYSIS OF NEED(S): To fund first year of three year lease for electric cars

TOTAL TRANSFER AMOUNT: \$ 4,500.00 NEW BALANCE IN ACCOUNTS AFTER TRANSFER

FROM ACCOUNT: \$ 38,175.00
TO ACCOUNT: \$ 4,500.00

APPROVALS: *AK*

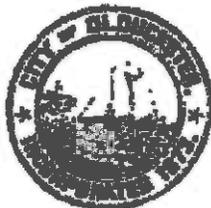
DEPT. HEAD: *Noreen Burke* DATE: 1/5/2015

ADMINISTRATION: *Carla...* DATE: 1/5/15

BUDGET & FINANCE: _____ DATE: _____

CITY COUNCIL: _____ DATE: _____

City Hall Annex
Three Pond Road
Gloucester, MA 01930



Community Development
Health Department
Information Technology
Inspectional Services

CITY OF GLOUCESTER

MEMORANDUM

TO: Carolyn Kirk, Mayor
Sal di Stefano, Chief Administrative Officer

FROM: Noreen Burke, Public Health Director
Tom Daniel, Community Development Director
James Pope, IT Director
Bill Sanborn, Building Inspector

CC: Mark Cole, Public Works Assistant Director
John Dunn, Chief Financial Officer
Mike Hale, Public Works Director

RE: City Hall Annex Vehicles

DATE: November 18, 2014

As the department heads housed in the Annex, we meet regularly to discuss building and administrative issues with the goal of finding solutions that support one another. Among the areas of concern are the City vehicles at the Annex. The fleet is becoming antiquated. The oldest vehicles date to 2000, and several vehicles have low fuel efficiency. By combining grant funding that the City has already secured with an incentive currently being offered by Nissan, the City has an opportunity to lease three electric-powered Leaf vehicles for just \$4,343 a year. This translates to \$120 per month per vehicle. Given anticipated savings in fuel cost, the vehicles will nearly pay for themselves. By pursuing this opportunity, the City would also have two Level 2 electric charging stations at no cost.

We propose replacing three of the oldest, least reliable, and most heavily used vehicles in the Annex fleet (used by the Plumbing Inspector, Inspectional Services, and Health) with three Nissan Leafs. The Nissan Leaf is a highly fuel efficient vehicle and would be under warranty through the entire three-year leasing program. The leased vehicles would require less maintenance than the current aging fleet and the electric drive train would eliminate the use of gasoline for three vehicles and reduce fuel consumption by 80%. (Fuel cost for the three vehicles in Fiscal Year 2014 totaled \$4,954. It is anticipated "fuel" cost would drop to approximately \$991—a savings of \$3,963.) At the end of the lease term, there is the potential to extend the lease, enter into a lease with new vehicles, or purchase the vehicles.

None of the Annex departments nor Public Works has \$4,343 available to take advantage of this opportunity, and the incentive from Nissan is on a month-to-month basis. Thus, we would like to act now. We are therefore requesting funding through free cash or another source to secure the vehicles. The leasing cost for years two and three would need to be included in DFW's operating budget. As noted above, the savings in fuel costs would cover all but \$380 of the total annual lease expense.

Alternatives

As you can see in Attachment A, if no change is made the City will spend \$36,000 in routine operation of the three existing vehicles over the next three years. The vehicles are already over 12 years old, and after three years all three vehicles would need to be replaced. Given the age of the vehicles, there is no guarantee that all three vehicles will last three years. By replacing these vehicles now with three leased Nissan Leafs, the City would save \$8,000 over the same three year period. Alternatively, if the City replaced the three vehicles by purchasing fuel-efficient gas-powered Ford Focus vehicles, the total cost over three years would be \$70,000.

There are additional vehicle fleet needs at the Annex. We will work with DPW to submit those requests through the CIP and budget processes. However, we ask for action now on the three most heavily utilized vehicles in order to take advantage of this opportunity.

As a Green Community, Gloucester has pledged to reduce its municipal energy consumption by 20%. Replacing three inefficiently gas-powered vehicles with three Nissan Leafs would be a major step towards reaching this goal. The City would become part of a small, elite group of municipalities leading the way in adopting alternative energy for vehicle fleets, and would set an example for residents to follow.

Attachment A: Vehicle Cost Comparison

BASILINE

Do nothing - keep 3 older cars with average age of 12 years (Ford Taurus, Crown Victoria, and Saturn)
 • Spend \$0

After 3 Years:

- Spent \$36K in fuel and O&M
- 3 cars now average 15 years and all need to be replaced
- Emit 44,000 tons of CO2

OPTION 1

Lease 3 brand new cars with factory and power train warranties to replace 3 baseline cars
 • Spend \$4,300 (annual lease payment)

After 3 Years:

- Spent \$28K (lease, electricity, O&M); \$8K savings from baseline
- End up with 3, 3 year-old cars (potential to extend lease or purchase)
- 2 free charging stations (\$20K value)
- Emit 6,000 tons of CO2 (38,000 ton reduction over baseline)

OPTION 2

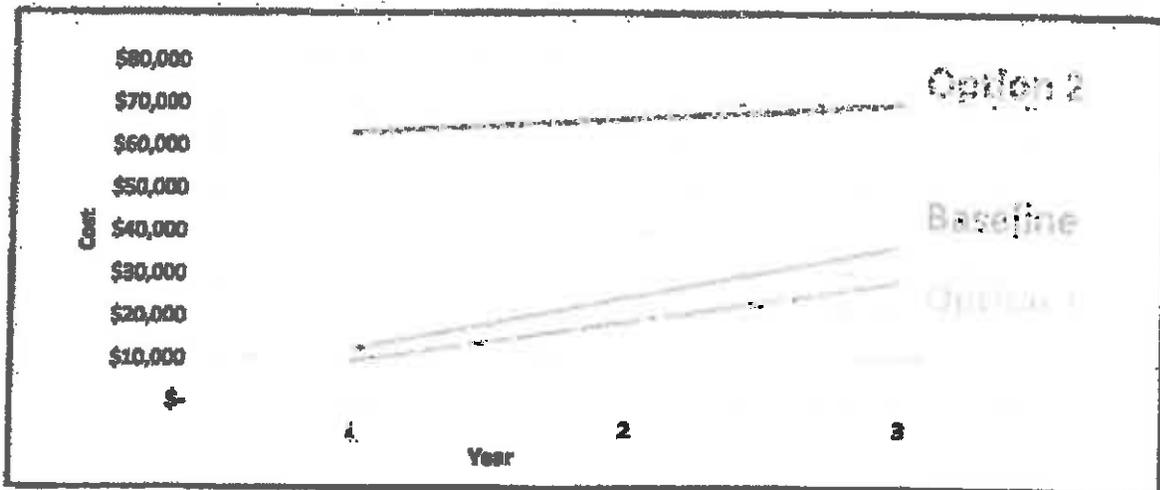
Purchase 3 brand new cars with factory and power train warranties to replace 3 baseline cars
 • Spend \$60,000

After 3 Years:

- Spent \$70K (purchase, fuel, O&M); \$34K over baseline
- End up with 3, 3 year-old cars
- Emit 25,000 tons of CO2 (19,000 ton reduction over baseline)

	Year 1				Year 2				Year 3				3 Year TOTAL
	Purchase/Lease	Gas/Elec.	Operating	Year 1	Purchase/Lease	Gas/Elec.	Operating	Year 2	Purchase/Lease	Gas/Elec.	Operating	Year 3	
Baseline	\$ -	\$ 5,038	\$ 6,458	\$ 12,151	\$ -	\$ 5,689	\$ 6,458	\$ 12,151	\$ -	\$ 5,693	\$ 6,458	\$ 12,151	\$ 36,453
Option 1	\$ 4,343	\$ 1,131	\$ 3,870	\$ 9,344	\$ 4,343	\$ 1,131	\$ 3,870	\$ 9,344	\$ 4,343	\$ 1,131	\$ 3,870	\$ 9,344	\$ 28,032
Option 2	\$ 60,000	\$ 1,217	\$ 2,096	\$ 63,313	\$ -	\$ 1,217	\$ 2,096	\$ 3,313	\$ -	\$ 1,217	\$ 2,096	\$ 3,313	\$ 69,829

* The older vehicles in the baseline, "do nothing" scenario will likely have additional maintenance costs. There's also no guarantee these cars will last 3 more years.



Attachment B: Asset Vehicle Inventory

ID	Make	Model	Year	Purchased	Mile	FY2014			FY2013			Fuel Cost	Factory Rep	Division	Notes	
						Mile	Miles	Fuel Cost	Mile	Miles	Fuel Cost					
205	Ford	Taurus	2000	2/9/2000	453	8,481	16.7 \$	1,548	463	8,746	17.7	\$1,496	21	Building Inspector	To be replaced with Nissan Leaf	
214	Ford	Crown	2007	10/19/2007	503	8,882	18.1 \$	2,032	586	8,255	14.8	\$1,812	20	Operational Services	To be replaced with Nissan Leaf	
118	Ford	Crown	2005	10/19/2005	0	0	\$	\$	79	1,374	28.1	\$251	20	Operational Services		
122	Ford	Ranger	2002	7/17/2002	209	3,032	12.0 \$	663	292	8,606	18.9	\$1,708	18	Weights and Measures		
799	Ford	F150	2005	2/18/2005	99	504	\$	341	204	3,205	14	\$677	19	Building Inspector		
806	Ford	Crown	2007	10/28/2007	72	1,264	18.9 \$	240	71	1,859	28.2	\$405	20	Health Department	Currently not at service	
874	Ford	Ford	2009	5/8/2011	121	2,075	17.1 \$	416	287	1,575	7.8	\$712	20	Health Department		
902	Ford	Crown	2002		400	13,887	17.5 \$	1,375	408	11,091	27.1	\$1,408	27	Health Department	To be replaced with Nissan Leaf	
903	Ford	Crown	2000		86	376	16.8 \$	134	35	1,113	31.5	\$121	25	Community Development		
908	Ford	F150	2011	12/29/2011	612	7,241	11.8 \$	2,363	782	8,527	12.1	\$3,425	10	Public Works		
708	Ford	F150	2012		231	3,206	12.7 \$	538	334	4,225	12.7	\$1,467	18	UPW - Engineering Division		
708	Chrysler	Army	2000	6/23/2000	494	6,288	10.4 \$	815	264	13,253	14.4	\$1,445		Information Technology	Out of Service	
208	Chrysler	SE	2007	7/12/2007	483	8,734	19.8 \$	1,415	482	5,235	13.7	\$1,453		Public Works	Out of Service	
Total					3,744	39,431	15.5 \$	32,375	4,527	70,470	15.8	\$1,825				

Ford/Chrysler

Report Date: 10/1/2014

Page 1 of 1

**City of Gloucester
SUPPLEMENTAL APPROPRIATION - BUDGETARY REQUEST
Fiscal Year 2015**

****CITY COUNCIL APPROVAL- 6 VOTES NEEDED****

APPROPRIATION # 2015-SA- 11 Auditor's Use Only

DEPARTMENT REQUESTING TRANSFER: Mayor's Office

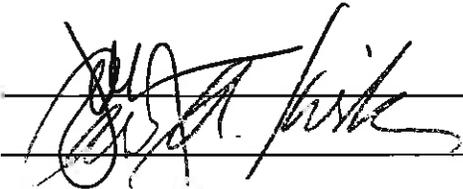
APPROPRIATION AMOUNT: \$ 10,000.00

Account to appropriate from:	Unifund Account #	<u>101000.10.000.35900.0000.00.000.00.000</u>
	Account Description	<u>General Fund - F/B Undesignated</u>
Balance Before Appropriation	\$	<u>2,379,608.00</u>
Balance After Appropriation	\$	<u>2,369,608.00</u>

Account Receiving Appropriation:	Unifund Account #	<u>101000.10.121.57800.0000.00.000.00.057</u>
	Account Description	<u>Mayor, Contingency/Emergency</u>
Balance Before Appropriation	\$	<u>2,934.00</u>
Balance After Appropriation	\$	<u>12,934.00</u>

DETAILED ANALYSIS OF NEED(S): Replenish depleted contingy account which is used to support various departmental reuests throughout the year. The administration will earmark a portion of the funds for a plaque honoring the late Councilor Hardy.

APPROVALS:

DEPT. HEAD:  DATE: 12/31/14

ADMINISTRATION: _____ DATE: 12/31/14

BUDGET & FINANCE: _____ DATE: _____

CITY COUNCIL: _____ DATE: _____

City of Gloucester

Account Purchase Order History Report

Fiscal Year: 2014-2015

Criteria: Account Mask=101000.??121.57800.?????.???.???.???

Account Num: 101000.10.121.57800.0000.00.000.00.057 P.O. Name Of Vendor: Mayor, Contingency/Emerg PO Date: PO Status: Budgeted: P.O. Amt: Expenditures: Encumbrance

BUDGETED AMOUNT	10/16/14	Interdepartmental reimbursement to pay invoice # T&S-914 to Rvl-City Hall User from Mayor, Contingency/ Emergency for custodial services provided during Trails & Salls event.	07/07/14	Open	700.00	352.30	600.00	347.70
1500442	Virgilio's Bakery		07/07/14	Open	700.00	352.30	600.00	347.70
1500449	AUDREY'S FLOWER SHOP		07/07/14	Open	350.00	135.00	135.00	215.00
1500454	BENJAMIN DAVID L		07/07/14	Closed	100.00	100.00	100.00	0.00
1500458	CITIZENS BANK CREDIT CARD		07/07/14	Open	3,030.00	2,706.80	2,706.80	323.20
1501111	CAPE ANN COFFEES		08/11/14	Open	850.00	492.50	492.50	357.50
1501610	Gloucester Maritime Heritage Center		09/11/14	Closed	210.95	210.95	210.95	0.00
1501673	Gloucester Daily Times		09/25/14	Closed	600.00	600.00	600.00	0.00
1502327	Cape Ann Chamber of Commerce		11/06/14	Open	250.00	0.00	0.00	250.00
1502462	MASON THIBODEAU STEPHANIE		11/24/14	Open	700.00	0.00	0.00	700.00
Totals:					6,790.95	5,197.55	5,197.55	2,193.40

End of Report

Totals: 10,000.00 6,790.95 5,197.55 2,193.40

Un-Expended Bal:	4,802.45	Budget Balance:	2,609.05
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CITY CLERK
GLOUCESTER, MA
15 JAN -9 AM 9:45

**City of Gloucester
SUPPLEMENTAL APPROPRIATION - BUDGETARY REQUEST
Fiscal Year 2015**

****CITY COUNCIL APPROVAL- 3 VOTES NEEDED****

APPROPRIATION # 2015-SA- 18 *Auditor's Use Only*

DEPARTMENT REQUESTING TRANSFER: Mayor's Office

APPROPRIATION AMOUNT: \$ 150,000.00

Account to appropriate from: *Unfund Account #* 101000.10.000.35900.0000.00.000.00.000
Account Description General Fund - F/B Undesignated

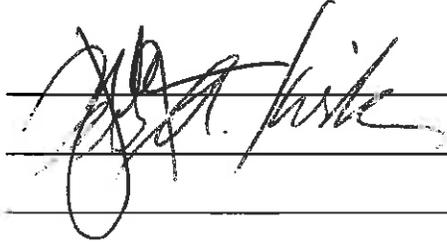
Balance Before Appropriation	\$	<u>2,164,608.00</u>
Balance After Appropriation	\$	<u>2,014,608.00</u>

Account Receiving Appropriation: *Unfund Account #* 850000.10.991.49700.0000.00.000.00.040
Account Description Capital Project Stabilization Fund

Balance Before Appropriation	\$	<u>-</u>
Balance After Appropriation	\$	<u>150,000.00</u>

DETAILED ANALYSIS OF NEED(S): For future purchase of chromebooks by Gloucester Public Schools

APPROVALS:

DEPT. HEAD:  DATE: 12/31/14

ADMINISTRATION: _____ DATE: 12/31/14

BUDGET & FINANCE: _____ DATE: _____

CITY COUNCIL: _____ DATE: _____

THE TAX RATE RECAP

Description: The Tax Rate Recap form is submitted, with supporting documentation, for DOR approval of a municipal or district tax rate. The four pages of the Tax Rate Recap provide a summary of information contained in supporting documentation, therefore the Recap is considered to be the "master document."

When is the Tax Rate Recap required? The Tax Rate Recap must be approved by the DOR before tax bills can be issued. Tax rates are approved using the information on the Tax Rate Recap and supporting forms.

Who prepares the Tax Rate Recap? The Tax Rate Recap is prepared by the Assessors, city/town Clerk and accounting officer, with input from most other municipal or district officials.

Required supplementary documentation The forms and documents that may be required with the Tax Rate Recap for a tax rate to be certified are detailed in "List of Forms" earlier in this publication.

For further information For additional information concerning the Tax Rate Recap and the issuance of property tax bills, see the Division of Local Services' website at www.Mass.Gov/dls. Also review the Massachusetts General Laws (MGL)
Ch. 40 § 56
Ch. 58 § 1A
Ch. 59 generally
Ch. 60 generally