

**Budget & Finance Committee**  
Thursday, March 5, 2015 – 5:00 p.m.  
1<sup>st</sup> Fl. Council Committee Rm. – City Hall  
**-Minutes-**

**Present: Chair, Councilor Melissa Cox; Vice Chair, Councilor Bill Fonvielle; Councilor Paul Lundberg (Alternate)**

**Absent: Councilor McGeary**

**Also Present: Kenny Costa; John Dunn; Jim Destino; Harbormaster Jim Caulkett; Tony Gross**

**The meeting was called to order at 5:03 p.m.**

**1. Harbormaster's Department:**

A) Memorandum from Harbormaster & Supplemental Appropriation-Budgetary Request 2015-SA-20

**Harbormaster Jim Caulkett** explained that this is an annual transfer from the Waterways Enterprise Funds Retained Earnings (known as free cash) to contractual services enables his department to complete the coming boating season set up, install buoys in the Annisquam River, gangways and to keep the Dun Fudgin and Solomon Jacobs Park public landings maintained throughout the summer seasons. He noted there was a need to use a large portion of the funds in the first month of FY15. He said that there is a shortfall of \$6,000 created when funds had to be used for the engineering design of Solomon Jacobs Park which was an unplanned for expense due to an unexpected filing deadline.

**MOTION: On a motion by Councilor Fonvielle, seconded by Councilor Lundberg, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2015-SA-20 in the amount of \$6,000 (Six Thousand Dollars) from the Waterways Enterprise, Retained Earnings ("Free Cash"), Account #700000.10.000.35900.0000.00.000.00.000 to Waterways Enterprise, Contractual Services, Account # 700000.10.492.52000.0000.00.000.00.052 for the purpose of completing the Spring 2015 City boating season set up, Public Landing lawn maintenance and buoy installation.**

B) Memorandum from Harbormaster & Supplemental Appropriation-Budgetary Request 2015-SA-21

**Harbormaster Caulkett** said this transfer is to fund seasonal additional harbor patrols and launch operators' office assistance salaries. He briefly explained this is because the Harbormaster didn't factor into the budget the wages for longer launch hours and added river patrols. Additionally because there was a computer issue with the moorings program, and he had to bring in assistant to aid the department's Senior Clerk. Those items combined created a shortfall which needed to be replenished.

**MOTION: On a motion by Councilor Lundberg, seconded by Councilor Fonvielle, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2015-SA-21 in the amount of \$7,000 (Seven Thousand Dollars) from the Waterways Enterprise, Retained Earnings ("Free Cash"), Account #700000.10.000.35900.0000.00.000.00.000 to Waterways Enterprise, Salary/Wages-Temporary Positions, Account # 700000.10.492.51200.0000.00.000.00.051 for the purpose of funding additional harbor patrols and launch operators' office assistance.**

C) Memorandum from Harbormaster & Supplemental Appropriation-Budgetary Request 2015-SA-22

**Harbormaster Caulkett** with assistance from **Mr. Costa** and **Tony Gross**, Waterways Board member explained that in talking with the Waterways Board and Mr. Costa it was recognized that if he and the Senior Clerk were to "walk out" or simultaneously retire, the Waterways Board and the city would be obligated to pay just for sick pay buy back \$27,000. The Board agreed it was wise to plan for such an event, and that they would establish a Rainy Day Stabilization Fund building it up over a three-year period to place funds in reserve for this payout.

**Councilor Cox** commented this was an excellent planning approach. **Mr. Costa** in pointing out the two motions needed to be passed by the Committee, one to establish the fund and another to fund it, added this is actually a general stabilization fund but in name and purpose is considered to be a rainy day fund. **Councilor Cox** discussed the terminology of the motions briefly with **Mr. Costa**.

**MOTION: On a motion by Councilor Fonvielle, seconded by Councilor Lundberg, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council establish a new Stabilization Fund to be known as the “Waterways Enterprise - General Stabilization Fund” pursuant to Massachusetts General Law c. 40, §5B for the purpose of reserving funds for unanticipated, emergency and extraordinary type of expenditures.**

**Councilor Cox** confirmed with **Mr. Gross** the plan is to fully fund this account over a three-year period. Sick leave buy back is capped at 180 days, it was noted.

**MOTION: On a motion by Councilor Fonvielle, seconded by Councilor Lundberg, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2015-SA-22 in the amount of \$9,000 (Nine Thousand Dollars) from the Waterways Enterprise, Retained Earnings (“Free Cash”), Account #700000.10.000.35900.0000.00.000.00.000 to Waterways Enterprise, General Stabilization Fund, Transfer In, Account # 760000.10.996.49700.0000.00.000.00.040 for the purpose of reserving funds for unanticipated, emergency and extraordinary type of expenditures.**

D) Memorandum from Harbormaster & Supplemental Appropriation-Budgetary Request 2015-SA-23

**Harbormaster Caulkett** said the \$8,238 is the amount of mitigation fees paid annual to the Waterways Board for Chapter 91 licenses and the money has to be put into a specific account for use for any public landing which is a requirement by law imposed by the state on individual property owners who do not provide public access through their property. The \$8,238 is all that was due this past year, **Harbormaster Caulkett** said. The check is written by the property owner to the city and is also dictated by state law. This is reserving the funds and setting it aside; when the Waterways Board is ready to spend it the Board will come back for a transfer of the funds, **Mr. Costa** advised. There are fewer and fewer properties that are seeking Chapter 91 licenses, **Mr. Gross** pointed out. Most licenses are 15 to 30 years, and when renewing that license they aren't required to pay any further mitigation fee, so the fees to the revenue stream will slow down, he indicated. The funds taken in by the city must be used for city public access.

**MOTION: On a motion by Councilor Lundberg, seconded by Councilor Fonvielle, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2015-SA-23 in the amount of \$8,238 (Eight Thousand Two Hundred Thirty-Eight Dollars) from the Waterways Enterprise, Retained Earnings (“Free Cash”), Account #700000.10.000.35900.0000.00.000.00.000 to Reserve for Appropriations/Waterways Enterprise, Improvement & Maintenance, Transfer In, Account # 720000.10.996.49700.0000.00.000.00.040 for the purpose of reserving funds related to Chapter 91 Mitigation Fees for the waterways improvements and maintenance.**

E) Memorandum from Harbormaster & Supplemental Appropriation-Budgetary Request 2015-SA-24

**Harbormaster Caulkett** explained that due to the extraordinary first winter storm that in turn created an extraordinary northwest storm surge there has been damage the north side of the Dun Fudgin Boat Ramp floats; and that in order for it to be used it will require some emergency repairs and so necessitates this transfer. He briefly reviewed the specific damage at the request of the Committee and repair process.

**MOTION: On a motion by Councilor Fonvielle, seconded by Councilor Lundberg, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2015-SA-24 in the amount of \$1,000 (One Thousand Dollars) from the Waterways Enterprise Dun Fudgin Boat Ramp Waterways EF, Transfer out, Account #700000.10.000.35900.0000.00.000.00.000 to Waterways Enterprise, Contractual Services, Account # 700000.10.492.52000.0000.00.000.00.052 for the purpose of emergency repairs to the Dun Fudgin Boat ramp due to winter storm damage.**

**Mr. Gross** advised the Committee that due to the hard work of the Harbormaster and Dave McCauley of the Waterways Board working with Stephanie Cunningham of the Division of Marine Fisheries, the city has been awarded the Boating Infrastructure Grant for \$263,930 that had been before the Committee two weeks ago for permission to apply. The \$263,975 match is from a combination of Waterways Board, Seaport Advisory Council and National Grid. He reminded the Committee the float system still has to go through the permitting process but since it is anticipated that the National Grid mitigation of the water sheet will and surround will take approximately three years, there was time to shepherd the project through the permitting process and be ready to go at the end of the work. **Mr. Gross** and **Harbormaster Caulkett** agreed that something like this is what the city has been waiting for, for some time, expressing their excitement that it was all finally coming to fruition.

**Jim Destino**, CAO, added the Administration's thanks to the Harbormasters and the Waterways Board for this work. He added that there will now be public bathrooms for transient boaters with showers and public bathrooms on the land side of Harbor Loop which is part of the National Grid lease.

## **2. Supplemental Appropriation-Budgetary Request 2015-SA-25 from Mayor's Office**

**Jim Destino**, CAO, said that in order for the city to have a full picture of pricing for the possible sale of the Fuller School building, it is appropriate that the city retain a professional real estate consultant so that any Request for Proposal (RFP) reflects current market value. The appraisal may cost \$10,000 with \$5,000 for the consultant. There will be a plan for a Council workshop to bring them up to a baseline level of understanding to make the workshop more production and to that end and will meet informally with Councilors prior to the workshop. If the full \$15,000 isn't used, he advised, the money will fall to the city's bottom line. The next step is to put the RFP out, he said.

**Councilor Cox** said she thought there was an interim step in between the acceptance of the School Committee vote for surplusing the school to issuing an RFP, and assessing the property to see if there are any city needs for the property before they create the RFP. **Mr. Destino** confirmed that is part of the workshop being put together for the Council and will be a talking point. He said part of the workshop will be about getting an appraisal done and getting a price for the property to know what it's worth. A consultant will help the Administration and the Council to get through the process of the workshop with an eye for the property's disposition for mixed use. **Councilor Cox** asked why the funds were being placed in the Mayor's Contingency account, and that **Mr. Destino** responded that he would be the contract manager for the project.

**Councilor Lundberg** recounted the P&D Committee's process by saying that the Council accepted the School Committee's declaration of surplus the building with the understanding that the next step is the issuance of an RFP to see what it's worth and what's possible, and the Council is reserving the final declaration of making it surplus to the city until the end so they still have that step to take. It isn't jumping ahead, he said. **Mr. Destino** said that it could take three RFP's before the property sells, and said there will be serious challenges with the property, the biggest is the fact that there is a building on it, he suggested.

**MOTION: On a motion by Councilor Lundberg, seconded by Councilor Fonvielle, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2015-SA-25 in the amount of \$15,000 (Fifteen Thousand Dollars) from General Fund, F/B Undesignated, Account #101000.10.000.35900.0000.00.000.00.000 to Mayor, Contingency/Emergency, Account # 101000.10.121.57800.0000.00.000.00.057 for the purpose of paying for professional real estate consulting services related to the development of a Request for Proposal for the sale of the Fuller School Building.**

## **3. Memo from City Auditor regarding accounts having expenditures which exceed their authorization & Auditor's Report**

**Mr. Costa** advised the Committee that after consulting Mike Hale, DPW Director, it is appropriate at this time that the Council votes to expand the ceiling for Snow and Ice Removal, Emergency Expenditures to not exceed \$2.5 million and is his recommendation. The increase of the expenditure authority is \$1,850,000 added to the current appropriation budget of \$650,000. He said it is expected this new ceiling will be exceeded in the coming weeks and will have to be raised again once all billing from contractors is taken into account. He also provided a 5-year Snow and Ice History Report for the account (on file) which he briefly touched upon.

The Committee said raising the Snow and Ice ceiling in small increments to raise the ceiling was a good policy in order to keep on top of the figure. **Councilor Cox** said that recently having been in Rockport, Beverly and Salem and that hands down Gloucester is superior in its active snow removal plan and congratulated the DPW and the Administration. **Mr. Destino** said that it appears that the city will receive at least 75 percent of the \$430,000 they submitted for the first storm, but that the window by the state has widened and it could be as much as a \$1 million reimbursement. Essex County had to meet a threshold, which wasn't met for the first submittal but the second submittal now includes Rockport and Essex and so met the threshold it was noted. **Mr. Destino** reassured the city would capture any dime it could.

**MOTION: On a motion by Councilor Fonvielle, seconded by Councilor Lundberg, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve the provisions of MGL c. 44, §31D Snow and Ice Removal, Emergency Expenditures not to exceed \$2,500,000. The increase of emergency expenditure authority is \$1,850,000 added to the current FY2015 DPW Snow and Ice Removal appropriation budget of \$650,000.**

**Mr. Costa** then reviewed his documentation (on file) with the Committee.

There was a discussion by the Committee with **Mr. Destino, Mr. Dunn** and **Mr. Costa** regarding the FY16 budget meeting schedule which **Mr. Destino** advised is accepted by the Administration.

**A motion was made, seconded and voted unanimously to adjourn the meeting at 5:50 p.m.**

**Respectfully submitted,**

**Dana C. Jorgensson**  
**Clerk of Committees**

**DOCUMENTS/ITEMS SUBMITTED AT MEETING: None.**