

Budget & Finance Committee
Thursday, September 7, 2017– 5:30 p.m.
1st Fl. Council Committee Room – City Hall
-Minutes-

Present: Chair, Councilor Scott Memhard; Vice Chair, Councilor Joseph Orlando; Councilor Joseph Ciolino
Absent: None.

Also Present: Kenny Costa; Jim Destino; John Dunn; Interim Police Chief John McCarthy; Joanne Senos; Deborah Kelsey; Katelynn Vance

The meeting convened at 5:30 p.m.

1. *Memo from Interim Police Chief re: acceptance of donation of a lease of two BMW i3 Electric Vehicles from Lyon-Waugh Auto Group & BMW of Peabody*

Interim Police Chief John McCarthy explained that BMW has offered the city a one-year-at-a-time lease for two BMW i3 Electric vehicles through BMW of Lyon-Waugh Auto Group & BMW of Peabody. He advised Warren Waugh is a Gloucester resident and is one of the principal owners of the company. Currently this is a one-year program and is reassessed on an annual basis to determine whether the program should be continued. He advised that one of the vehicles will be used for community policing, and is detailed with “Kids & Cops” program, has the Fisherman at the Wheel on the hood. The second vehicle will be used by the School Resource Officer at Gloucester High School. These vehicles, he noted, will assist his department in contributing to the city’s green environmental efforts, and asked that the Council accept the vehicle leases.

Responding to an inquiry by **Councilor Memhard**, **Interim Chief McCarthy** advised the total dollar value is \$15,438.49 per vehicle or \$30,635.66.

Councilor Orlando asked if the city must pay the sales tax on the lease. **John Dunn**, CFO, advised that as registered city vehicles there is no sales tax involved or registration fees.

The Committee discussed with Interim Chief McCarthy a possible Council citation to thank Mr. Waugh on behalf of the Lyon-Waugh Auto Group & BMW of Peabody for their contribution to the community.

COMMITTEE RECOMMENDATION: On a motion by Councilor Orlando, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council accept under MGL Ch. 44, §53A, a donation by the Lyon-Waugh Auto Group and its affiliate, Peabody Motor Sports Inc. (as Lessor and Lessee) of the use of two 2017 electric motor vehicles, model BMW i3 for one year. Vehicles are to be leased through BMW Finance Services NA, LLC for a one-year period and up to a maximum of 10,000 miles per vehicle. The term of the lease is 7/20/17 – 7/19/18, at which time the 2 vehicles will be returned to BMW of Peabody in reasonable condition. The first 2017 BMW i3 with VIN number WBY1Z8C38HV892414 has a donation value in the amount of \$15,438.49 and the second 2017 BMW i3 with VIN number WBY1Z8C32HV891856 has a donation value in the amount of \$15,197.17 for a total of \$30,635.66.

2. *Memo from Interim Police Chief re: application for FY18 State 911 Support & Incentive Grant*

Interim Chief McCarthy reviewed his request that the Council approve an application for FY18 State 911 Support and Incentive Grant for \$61,795 to maintain the department’s computer systems and to pay overtime. He said that this is an annual contract.

COMMITTEE RECOMMENDATION: On a motion by Councilor Orlando, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council to accept under MGL c. 44, §53A from the Massachusetts State 911 Department a FY18 Support and Incentive Grant in the amount of \$61,795 to provide funding for Police Department E911 salaries, overtime and equipment.

3. *Memo from Acting Community Development Director re: acceptance of Essex National Heritage Commission Grant through the Visitor Grant Program*

Mr. Dunn explained that this grant from the Essex National Heritage Commission for the Visitor's Center. It is a recurring grant, he noted. Both he and **Kenny Costa**, City Auditor confirmed there is no match.

Councilor Ciolino said that this is something that the Tourism Commission should be involved in as to how the funds should be spent. **Councilor Orlando**, the City Council liaison to the Tourism Commission, briefly reviewed some of the Commission's discussions on similar matters to avoid duplication of efforts.

COMMITTEE RECOMMENDATION: On a motion by Councilor Orlando, 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, §53A a federal grant through the Essex National Heritage 2017 Visitor Center Grant through the National Park Service for a total of \$2,500 for the purpose of supporting the activities of the City's Visitor Welcome Center at Stage Fort Park. The grant period is from July 1, 2017 through June 30, 2018.

4. Memo from Assistant DPW Director re: Request to pay FY17 invoices with FY18 funds, & payment of invoices without a P.O. in place

Mr. Dunn explained that there were a variety of invoices for services rendered from the Department of Public Works which are difficult to know when these invoices will show up after the fiscal year has closed. **Mr. Costa** advised that in some cases the accounts just ran out of funds and didn't have enough money to pay the invoice.

There was a brief discussion as to the status of Hiltz Waste Disposal and noted that while the company is in bankruptcy proceedings which is not a liquidation but a reorganization, they are still in business.

Councilor Ciolino, noting the aggregate total of funds is \$4,000, expressed some concern that payment out of the FY18 funds would affect the DPW's FY18 budget causing yet another shortfall in FY19. **Mr. Dunn** said, "No." He suggested that certain generated waste has to be removed by a different hauler, but that he wasn't overly concerned this will affect the DPW's FY18 budget. **Councilor Orlando** pointed out that these situations seem to recur annually particularly for the DPW.

COMMITTEE RECOMMENDATION: On a motion by Councilor Orlando, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council in accordance with MGL c. 44, §64 approve payment of a prior year invoices for services rendered in FY2017 as follows:

By Waste Management of Massachusetts, Phoenix, AZ to be paid with FY2018 funds from current FY2018 Water Enterprise Fund, Purchase of Services Account #600052-520000:

<u>Invoice #</u>	<u>Date</u>	<u>Amount</u>
1734140-0209-2	6/26/2017	\$180.73
2188166-2192-2	7/17/2017	\$1,185.52
1738372-0209-7	7/26/2017	\$489.28
	TOTAL:	\$1,855.53

By Hiltz Waste Disposal, Inc., Gloucester, MA to be paid with FY2018 funds from current FY2018 Water Enterprise Fund, Purchase of Services Account #600052-520000 and without Purchase Orders in place:

<u>Invoice #</u>	<u>Date</u>	<u>Amount</u>
7808	8/1/2017	\$249.60
9758	8/1/2017	\$484.64
	TOTAL:	\$734.24

By JRM Hauling, Peabody, MA to be paid with FY2018 funds from current FY2018 General Fund, DPW-Solid Waste Disposal, Purchase of Services Account #0140352-520000:

<u>Invoice #</u>	<u>Date</u>	<u>Amount</u>
0000689821	6/30/2017	\$3,181.68
0000002530	6/30/2017	\$1,255.71
	TOTAL:	\$4,437.39

By the Ipswich Police Department to be paid with FY2018 funds from current FY2018 General Fund, DPW-Public Services, Purchase of Services Account #0147052-520000:

<u>Invoice #</u>	<u>Date</u>	<u>Amount</u>
17-128-DV	7/03/2017	\$384.00
17-212-DV	6/24/2017	<u>\$192.00</u>
TOTAL:		\$576.00

5. Memo, Grant Application & Checklist from Assistant Emergency Management Director re: Emergency Management Performance Grant (EMPG) – FOR INFORMATION ONLY

Under GCO Sec. 16-1 “Grants” the information forwarded pursuant to the application for an Emergency Management Performance Grant is for the information of the Budget & Finance Committee only.

6. Memo from CFO re: acceptance of donation to be used specifically by the Gloucester Archives Committee

Deborah Kelsey, Sawyer Free Library Director introduced Katelynn Vance, city Archivist. She advised of two documents (placed on file), one is an overview of the FY18 Library Budget and the other a job description of Ms. Vance’s position. She reviewed at the request of the Committee Chair the process for obtaining Ms. Vance’s services and the fact that the Archivist position and responsibilities have evolved over the first year of her employment. She conveyed that this reassessment has resulted in a retooled job description and recognition that the remuneration for the position needs to be moved from an hourly wage position to a managerial pay grade. Additionally she reviewed the city’s archiving process and appropriate storage needs for its valuable documentation.

Mr. Dunn and **Councilor Orlando** briefly touched upon the funding for the Archivist position as did **Councilor Ciolino**. **Ms. Kelsey** pointed out that the position is now funded entirely out of the Library’s budget as a full-time position.

Ms. Vance, speaking to the donation of \$50,000 from the Norma L. Andrews Living Trust, advised she envisions this funding being utilized for the stabilization, preservation, maintain and provide additional access to and digitization of archived materials of the city. **Mr. Costa** responding to **Councilor Ciolino**’s inquiry advised that the funds will be held in an archives donation account and will roll into future years. **Mr. Dunn** highlighted that the funds are donated for a very specific purpose and can only be used for the stated purpose. **Councilor Orlando** noted that procedurally the money is spent by the Archives Committee on archival related issues. **Ms. Kelsey** added the Library has nothing to do with it.

Joanne Senos, City Clerk, noted that the funds are being deposited into the Archives Vault Fund, and expressed concern and asked if the funds can be used for other items. **Councilor Orlando** said the premise for the construction of the vault is for preservation. **Ms. Vance** indicated she was going from the documentation she was given. **Mr. Dunn** read the document on file which said, “...to be used for the maintenance, and the creation of the building fund (if applicable) with the Gloucester Archives of Gloucester, Massachusetts.” **Ms. Vance** said she understood that she could use the funds for either purpose, such as archival boxes, Mylar sleeves that would preserve documents and the vault, and/or go towards building a new vault for preservation. **Councilor Memhard** pointed out that these funds could be used as leverage when applying for other grants for preservation of the city’s archives.

At the request of **Councilor Ciolino**, **Mr. Dunn** said he would send a letter of thanks to the children of Norma L. Andrews for the donation through their mother’s trust through the bank who handles the Trust. It was noted by both **Councilors Ciolino** and **Memhard** that Ms. Andrews family owned Andrews Plumbing, a venerable city business who created the trust from the sale of the family’s commercial real estate. **Councilor Memhard** added that such a donation highlights encouragement of estate planning and leaving a legacy to the city that will endure.

COMMITTEE RECOMMENDATION: On a motion by Councilor Orlando, seconded by Councilor Ciolino, the City Council voted 3 in favor, 0 opposed, to accept under MGL c. 44, §53A a donation of \$50,000 from the Norma L. Andrews Living Trust for the purpose specifically to be used by the Gloucester Archives Committee in connection with the maintenance and the creation of a building fund (if applicable) for the Gloucester Archives of Gloucester, MA. Funds are to be deposited in the Archives Vault Construction Fund #3318.

7. Memo from CFO re: Loan Authorization for the repair and improvements of Brooks Road

Councilor Orlando on behalf of Councilor Sean Nolan, Ward 5 Councilor, said that Councilor Nolan organized the neighbors on Brooks Road, and that 90% of the property owners supported the 100% betterment for the repair and paving of Brooks Road, and that with the Council's approval for that private way paving now leads to the loan order for the funding of the work. He added that Councilor Nolan asks that the Committee support this funding for the repair of this private way.

Councilor Memhard commended Councilor Nolan for his outstanding work on this betterment project but also for his work with the Administration for the revision of the Code of Ordinances related section to "Repair of Private Ways" which streamlined the process moving forward.

COMMITTEE RECOMMENDATION: On a motion by Councilor Orlando, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council authorize the following loan order:

Ordered: That the City of Gloucester appropriates One Hundred Thirty Thousand Dollars (\$130,000) to pay costs of temporary repairs, including paving to Brooks Road, a private way in the City, including costs incidental or related thereto. To meet this appropriation the Treasurer, with the approval of the Mayor is authorized to borrow said amount under and pursuant to M.G. L. Chapter 44, Section 7(5), or pursuant to any other enabling authority. Although any borrowing by the City to meet this appropriation shall constitute a general obligation of the City and a pledge of its full faith and credit, one hundred percent (100%) of the amount needed to repay any borrowing pursuant to this order shall be raised in the first instance through the assessment of betterments upon the abutters of the private way, in accordance with M.G.L. Chapter 80, and any other applicable authority. The Mayor and any other appropriate official of the city are authorized to take any and all actions necessary to assess the betterments described above, the term of which will not exceed 10 years or such shorter time as proscribed by Massachusetts General Law. Any premium received by the City upon the sale of any bonds or notes approved by this vote, less any such premium applied to the payment of the costs of issuance of such bonds or notes, may be applied to the payment of costs approved by this vote in accordance with Chapter 44, Section 20 of the General Laws, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount.

Further Ordered: That the Treasurer is authorized to file an application with the Municipal Finance Oversight Board to qualify under Chapter 44A of the General Laws any or all of the bonds authorized by this order and to provide such information and execute such documents as the Municipal Finance Oversight Board may require for these purposes.

This matter will be advertised for public hearing.

8. *Memo from City Auditor regarding accounts having expenditures which exceed their authorization & Auditor's Report and other related business*

Kenny Costa, City Auditor, briefly reviewed the City Auditor's report with the Committee (placed on file).

A motion was made, seconded and voted unanimously to adjourn the meeting at 6:17 p.m.

Respectfully submitted,
Dana C. Jorgenson
Clerk of Committees

DOCUMENTS/ITEMS SUBMITTED AT MEETING:

- Sawyer Free Library FY2018 Budget overview and Job Description regarding Archivist and Archives Department
- Auditor's Office Overdrawn Report FY2018