

**City Council's Standing Committee  
Budget and Finance – SPECIAL MEETING  
Wednesday, October 27, 2010 – 6:00 p.m.  
First Floor Conference Room, City Hall**

**PRESENT:** Steven Curcuru, Chairman; Paul McGeary, Vice Chair; Councilor Jacqueline Hardy

**Also Present:** Jeffrey Towne, CFO; Kenny Costa, City Auditor; Sarah Garcia, CDD Director; Matt Lustig, Project Manager; and members of the Community Preservation Committee: JJ Bell, Co-Chair; Karen Gallagher, Mr. Feener, Mr. Duggan. Also in attendance were fifteen interested citizens/applicants.

The meeting was called to order at 6:20 p.m.

The Special Budget and Finance Committee meeting was called to discuss the Memorandum from Ms. Garcia regarding the FY10 – FY11 Community Preservation Committee's first round of funding/project applications. Discussion on this item is continued from the Budget and Finance Committee Meeting of October 21, 2010.

Mr. Bell presented an overview, stating there are eight members currently on the committee. He reported that starting in July 2010, applications were received, the community was surveyed, and program areas were reviewed in terms of needs and possibilities. A pre-application process was started which allowed for qualification of proposals prior to going into the longer, more involved application process.

A criteria for selection was established which included a general criteria and a specific category criteria. Preapplications were due in June; however some did not qualify. Those qualified had a July 15<sup>th</sup> deadline for full applications.

The Committee spent a great deal of time deliberating all of the applications, as well as having a public comment session which included the general public. However, the session consisted, basically, of applicants to present the main points of their proposals.

Mr. Bell stated it was a thoroughly enjoyable and uplifting process to see the people in the community working as non-profits and to be able to see what good things are happening and being done.

He explained there are ten recommended applications with specific monetary levels. Most comments and issues, however, are the plans for the City Hall restoration. He spoke to the necessity to do City Hall as is apparent to anyone looking closely at the hall. He recognized Maggie Rosa who was present this evening; and, he spoke to the work which has been completed including straightening the tower, and structurally restoring the top two portions of the tower. Much more is left to be done in terms of wood elements, which are falling and creating safety issues as well as allowing water to infiltrate the building.

**Mr. Bell** reported that the Committee wants to finish the work to make City hall safe, attractive and water tight. This, he said, is the most important municipal building in terms of architecture and serving as an anchor to the City.

With respect to the bonding issue, he explained it would be a twenty-year bond (level funded) with \$185,000 in debt service at 3.34% interest. This proposal would allow the city to come up with an amount that would make sense to the CPC. A question has arisen as to the consequences should the City choose to, after five years, opt-out of the CPA, which is allowed under a voter initiative. He reported that 143 CPA communities are in Massachusetts now, that CPA has been around for ten years, and no community has rejected the CPA.

Should the citizens vote out the CPA after five years, the surcharge will stay in effect, but only to the extent to pay off the pre-existing obligations at the time of opt-out. If there were a \$400,000 surcharge, the CPA would be reduced by a little less than half which, the CPC feels, would not be a burden to the city.

**Mr. Bell** also stated that bonding under the CPA is common and sixty communities have long-term bonded. Bonds, he further explained, are used for projects such as City Hall and other municipal buildings. The Committee realizes this is a lot of money; however, the time seems to be right to do something like this for City Hall, given the time sensitivity with regard to safety issues. Further, at this time, there are historically low interest rates and construction costs.

**Councilor Curcuru** stated that at this meeting, the Committee will format the process for review, and the Committee would like to ensure there are two copies of each proposal with a brief synopsis of each. Note: two copies of each are on file in the Office of the City Clerk.

**Councilor Hardy** questioned if there are CPC meeting minutes, other than those received this evening.

**Ms. Garcia**, at this point in the meeting, introduced **Matt Lustig**, Project Manager.

**Councilor Hardy** commented to those in attendance that this is a new process, and the Committee/Council has not been through the procedures before. She suggested a binder to keep records, laws, etc., in order for the Committee/Council to grow, improve, and ensure the process is done correctly. Further, she requested a copy of the State Law, City Ordinance, Membership List of the CPC, the criteria used by the Committee to select winning proposals; and, a formula used for the 10%, 10%.

**Ms. Garcia** has such a notebook with most of the requested items and will provide to the Committee/Council. She stated that the draft preservation plan, required by law, was compiled by Linda Brayton, CDD. She also commented that the most challenging proposals were City Hall and the Newell Stadium. Newell Stadium is not eligible at this time; however, if the State Law SB90 is taken off hold by the State, it would make recreational facilities eligible.

It was also noted that CPA funding comes from the recording fees on Deeds and the more real estate closings, the more SB90 funds. Further, all funds from the Registry of Deeds goes to a specific fund, not the General Fund.

Ms Garcia further stated that this is an interesting process and pointed out those on the CPC Committee include a member of the Historical Commission, Open Space, Housing Authority, Planning Board, and Conservation Commission, which reflects the level of application review.

**Councilor Hardy** requested an explanation of the debt service required; site visits to the proposed sites; and, the Informational Guideline Release, which contains definitions.

**Councilor Curcuru** asked the applicants and CPC to be patient in that this is a learning process for the Committee/Council. He said he and the Committee would like to have the chance to speak with each applicant. He also asked if those applicants not chosen would have an opportunity to re-apply. **Mr. Bell** stated that the those applicants not chosen, were not chosen for a variety of reasons.

**Councilor McGeary** suggested having separate meetings such as one on Open Space recommendations; one on Historic Preservation; one on City Hall; and one on Community Housing. He also stated that four meetings should suffice.

**Mr. Towne** commented on the CIAB and that it would take into consideration funding sources, with input into the process. **Councilor McGeary** agreed that the CIAB is going forward and should be a part of the input. However, some of the proposals would not be a part of the CIAB advisory purview.

**Councilor McGeary** questioned a ten-year bond for then City Hall project and whether the interest rate would be lower. It was reported that a \$1 million bond would be approximately \$120,000 at level debt for ten years.

The Committee questioned whether there are time-sensitive issues with regards to the proposals/recommendations. Two applicants in the audience reported there are some issues; i.e. the Beauport Window project is under a Grant with matching funds and an August 2011 deadline. And, the Taylor Street Condominiums have a 90-day agreement with Gloucester Bank.

**Councilor Hardy** asked if there are any rules as to providing funds to a church. It was pointed out that the Unitarian Universalist Church is a public meeting place, providing public benefit, so there are no funding restrictions. She also questioned funding for a project capable of leaving the city/state; i.e. the Adventure.

**At this point, the meeting schedule was established and is as follows:**

**Thursday, November 4<sup>th</sup> 6 p.m. Historic Preservation Proposals (not including City Hall)**

**The Gloucester Adventure**

**Gloucester Unitarian Church**

**Gloucester Historical Commission – Gloucester Street Survey**

**Historic New England – Beauport**

**Wednesday, November 10<sup>th</sup> – 6 p.m. – Community Housing Proposals**  
**Gloucester Development – Central Grammar**  
**Gloucester Housing Authority – Cape Ann Homeownership Center**  
**Gardner Company – 10 Taylor St. Condominiums**

**Tuesday, November 16<sup>th</sup> – 6 p.m. – Open Space and Recreation; and City Hall Restoration**  
**CDD – Dogtown/No. Gloucester Woods preservation**  
**Wostrel Environment Center (GHS)**  
**City Hall Restoration**

**Councilor McGeary left the meeting at 7:00 p.m.**

On question of a member of the audience, **Councilor Hardy** estimated the Public Hearing before the City Council would be held, at the earliest, in December.

**The meeting adjourned at 7:10 p.m.**

**Respectfully Submitted,**  
**Anne Marchand**  
**Substitute Recorder**

**Items submitted at the meeting and attached:**  
**Community Preservation Fund Report provided by the City Auditor**

**Items available in the City Clerk's Office for review:**  
**>Minutes of the Community Preservation Committee Meetings from August 25, 2010;**  
**September 8, 2010; and September 21, 2010**

**>Two copies each of the following:**  
**Community Development Department – Dogtown/North Gloucester Woods –**  
**Preservation Planning**  
**Gloucester High School Wostrel Environmental-Adventure Center**  
**Gloucester Development Team – Central Grammar Apartments**  
**The Schooner Adventure – Restoration**  
**City Hall Restoration Committee – Completion of Exterior Restoration**  
**Gloucester Unitarian Universalist Church – Restoration, Phase II**  
**Gloucester Historical Commission – Gloucester Street Survey Update**  
**Historic New England – Beauport Window Conservation**  
**Gloucester Housing Authority – Cape Ann Homeownership Center**  
**Gardner Company – 10 Taylor St Condominiums**  
**\*Homeless Prevention (Wellspring) – not recommended by CP Committee**  
**\*Davis Freeman House – not recommended by CP Committee**

**Available on Line – CPC Web Site – Full applications of above proposals.**

**COMMUNITY PRESERVATION FUND REPORT**

City/Town of GLOUCESTER (107)

Fiscal Year Ended June 30, 2010

Surcharge % 1.00

1 Total fund balance from prior year (PY) report (Form CP-2)

New Revenues/OFS

2. Proceeds from bonds and OFS	0.00	
3. Collections from community preservation surcharge	419,012.00	
4. Distributions from State trust fund	0.00	
5. Earnings on investments	494.00	
6. Gifts, Grants, Donations	0.00	
7. Other - Tax Liens	924.00	
<b>Total New Revenue/OFS:</b>		<b>420,430.00</b>

Expenditures/OFU

8. Expenditures :		
a. Open Space	0.00	
b. Historic Resources	0.00	
c. Community Housing	0.00	
d. Other (Community Recreation)	0.00	<b>0.00</b>
9. Expenditures for Debt Service:		
a. Open Space	0.00	
b. Historic Resources	0.00	
c. Community Housing	0.00	
d. Other (Community Recreation)	0.00	<b>0.00</b>
10. Administrative Expenses		12,738.00
11. Other		0.00
<b>Total Expenditures/OFU:</b>		<b>12,738.00</b>
<b>Total Fund Balance June 30, 2010 (Detail Following):</b>		<b>407,692.00</b>

City/Town of GLOUCESTER

Detail of Community Preservation Fund Total Fund Equity

Fiscal year ended June 30, 2010

1. Fund Balance Reserved for Encumbrances (3211)	0.00	
2. Fund Balance Reserved for Expenditures (3240)	0.00	
3. Fund Balance Reserved for Open Space (3241)	39,000.00	
4. Fund Balance Reserved for Historic Resources (3242)	39,000.00	
5. Fund Balance Reserved for Community Housing (3243)	39,000.00	
6. Fund Balance Reserved for Special Purposes (3280)	0.00	
7. Fund Balance Reserved for Community Preservation Act (3320)/Undesignated (3590)	290,692.00	
8. Total Community Preservation Fund Balance June 30, 2010 (Total must equal total fund balance page 1)		<b>407,692.00</b>

Has the community met the requirement to either appropriate or reserve for future appropriation at least 10% of the estimated annual fund revenue for open space, historic resources and community housing?

Yes

If no, explain how the town plans to meet the requirement?

Additional Comments:

Kennv Costa, City Auditor, Gloucester, 978-281-9730  
(Accountant/Auditor)

10/20/2010 8:52 PM  
(Date)

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City/Town of GLOUCESTER

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