

Budget & Finance Committee
Thursday, February 8, 2018– 6:00 p.m.
1st Fl. Council Committee Room – City Hall
-Minutes-

Present: Chair, Councilor Melissa Cox; Vice Chair, Councilor Scott Memhard; Councilor Jamie O'Hara (Alternate)

Absent: Councilor Hecht

Also Present: Kenny Costa; John Dunn; Fire Chief Eric Smith; Fire Captain Dominic Barbagallo; Mike Hale; Harbormaster T.J. Ciarametaro; Chris Sicuranza

The meeting was called to order at 6:00 p.m. Matters were taken out of order.

1. *Memorandum from the Fire Chief re: acceptance of the FY2018 Student Awareness of Fire Education (S.A.F.E.) Grant in the amount of \$4,308 and Senior SAFE grant in the amount of \$2,615 from the Mass. Department of Fire Services*

Fire Chief Eric Smith, noting that **Fire Captain Dominic Barbagallo** does all the work on these grants from writing them to executing the training programs, explained that these two grants for acceptance by the Committee are annual awards to the Fire Department has received for the last four years through the Mass. Department of Fire Services (DFS). The first grant before the Committee is for fire education to school-aged children enrolled in city public and private schools; the second grant is for fire education for city seniors. He reported that the DFS is very pleased with the work that Captain Barbagallo is doing to educate the city's children and seniors through this grant program.

Councilor Cox complimented Captain Barbagallo saying that a little bit of money goes a long way with so many of the city's children and seniors receiving such good information through this grant program. She briefly touched upon train safety issues and possible coordination with certain agencies to include that as part of Captain Barbagallo's educational outreach program to city students. **Councilor O'Hara** added that prevention is the best form of education.

COMMITTEE RECOMMENDATION: On motion by Councilor O'Hara, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council accept under MGL c. 44, §53A, a FY2018 School-based Student Awareness of Fire Education (S.A.F.E.) grant from the Mass. Department of Fire Services in the amount of \$4,308 for the purpose of providing fire and life safety education to school-aged children.

COMMITTEE RECOMMENDATION: On motion by Councilor O'Hara, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council accept under MGL c. 44, §53A, a FY2018 Senior Awareness of Fire Education (S.A.F.E.) grant from the Mass. Department of Fire Services in the amount of \$2,615 for the purpose of providing fire and life safety education to seniors.

2. *Memorandum from CFO re: request for a loan order in the amount of \$3,670,000 to fund & support Lane's Cove Seawall repairs*

Mike Hale, Public Works Director, said that this is a loan order for \$3.7 million to fund the Lane's Cove Breakwater Rehabilitation Project to rebuild the seawall. With two storm events -- a Christmas nor'easter in 2010 and another storm event the winter of 2013, the seawall sustained damage with the integrity of the seawall placed in jeopardy -- there isn't much left of the south wall, he advised. He highlighted that the city was awarded \$1.3 million from the Federal Emergency Management Agency (FEMA) and just recently received \$1 million from the State Executive Office of Energy & Environmental Affairs for the repair project. He noted the caveat that the FEMA grant must be spent down by December 30, 2018 because the event occurred in 2013. There wasn't enough money to go forward with the repairs; and then the city received \$1 million from the state, he said. He noted that this means there will be an aggressive schedule for bidding and awarding of the contract by April if this loan order moves forward with a seven month window for construction.

Councilor Cox asked if the FEMA money and state money is already with the city. **Mr. Dunn** confirmed the city receives its funds from the state and federal entities through reimbursement. Responding to further questioning by **Councilor Cox**, **Mr. Hale** said that if the bidding is released promptly, they get this out in April, they'll be done by December 2018 regardless -- the FEMA portion must be spent by that time because it is directly linked to the damage sustained to a 2013 storm event, he reiterated. He advised there is a new design but the wall will be the same shape and look as it is now. He described the construction of the wall as having a concrete core and granite veneer with a revetment on the seaward side of the breakwater which acts as a "break." He noted there were a number of public presentations on the design and repair of the seawall some time ago, and the design remains the same. He added that the design will be much like the repairs made to the Stacy Boulevard seawall.

Councilor Cox expressed her appreciation for the efforts of Mr. Hale and all the city departments, mentioning the Fire, Police, and Harbormaster's Department in particular, who contributed to the successful FEMA application for the grant funds.

Councilor Memhard confirmed that the the balance of the loan order after the grants are taken into account will be \$1.4 million and asked if it will be the end number for the debt. **Mr. Dunn** confirmed that the \$1.4 million will be the city's portion. He explained that depending on the wording of grant(s), if the city receives the full amount of the grants, they apply the funds of the two grants first and issue the remainder in debt. He pointed out that they round up for the loan order. Initially they borrow short term as necessary because these are reimbursable grant funds. They will then go out for the long-term debt for the remainder of the project funding once the grant funds are expended. **Mr. Hale** advised the project is fully permitted, designed and that the city's Purchasing Department has the bid documents "locked and loaded" and awaiting the Council's vote to move forward. Addressing **Councilor Memhard's** concern that the seawall funding might shortchange the city's grant funding for dam repairs, **Mr. Hale** confirmed that the city received an additional \$1 million for Haskell Dam this round as well, and that the seawall grant funding doesn't impact funding for dam grants which max out at \$1 million annually; the seawall money is a much higher ceiling.

Councilor O'Hara said he knew this is an important issue for the Lanesville community and that it was prudent to move forward given the availability of FEMA grant funds.

COMMITTEE RECOMMENDATION: On motion by Councilor O'Hara, seconded by Councilor Memhard, 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 Three Million Seven Hundred Thousand Dollars (\$3,700,000) to pay costs of the Lane's Cove Breakwater Rehabilitation Project 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, or pursuant to any other enabling authority. The Mayor and any other appropriate official of the city are authorized to apply for, accept and expend any grants or gifts that may be available to the City to pay costs of the projects. 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 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.

3. *Supplemental Appropriation-Budgetary Transfer Request 2018-SA-16 and Memorandum requesting an increase in mooring fees and dinghy dock fines from Harbormaster*

Harbormaster T.J. Ciarametaro said that his department is requesting with the endorsement of the Waterways Board, a total of \$15,000 from the Waterways Enterprise Fund retained earnings (Free Cash) for a 2018 Chevrolet Silverado 2500 truck (This appropriation includes the cost of \$2,083.67 for lights and lettering plus

installation). This is a three year lease-to-own program, and the appropriation is the first lease payment with the balance to be budgeted in the Harbormaster's Department FY19 and FY20 budgets.

He highlighted briefly issues as to why this new vehicle is much needed as noted in his memo (on file). He pointed out that the Deputy Harbormaster is using his personal vehicle to respond to calls as well as other work duties, which he said he viewed as a liability on several different levels. It was noted that the vehicle the Harbormaster is using now will stay at the Harbormaster's facility at Harbor Loop, and the new vehicle will go home with him at night as he is on call 24/7.

Councilor O'Hara said he's not in favor of spending taxpayers' money as the city can't continue to add to their burden them, but that he understood conveying city staff in personal vehicles is not appropriate. He advised he is in favor of moving ahead and purchasing an additional Harbormaster's Department vehicle. **Mr. Dunn** pointed out that this first lease-to-own payment is coming from the Waterways Enterprise Fund Retained Earnings (Free Cash) which represents funds received by user fees and not by all city taxpayers.

COMMITTEE RECOMMENDATION: On a motion by Councilor O'Hara, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve 2018-SA-16 in the amount of \$15,000 (Fifteen Thousand Dollars) from Waterways Enterprise Fund, Undesignated Fund Balance-Retained Earnings ("Free Cash") Account #7000-359000, to Waterways Enterprise, Capital Outlay, Vehicles, #700058-585001, for the purpose of purchasing a 2018 Chevrolet Silverado 2500 truck including lights and lettering and installation of same for use by the Harbormaster's Office.

Harbormaster T.J. Ciarmetaro said that he has been restructuring a number of different waterways fees, looking at revenue versus expenditures and what his department is facing in the future with increased facilities rental costs as well as the increased cost of doing business in general. The fee increase before the Committee is for the resident and nonresident "personal" moorings fees hasn't been reviewed or raised in some time as have other fees under the Waterways' purview. He advised he'd completed his due diligence on these fees calling ports similar in size with Gloucester, with similar number of moorings, as well as adjoining communities, and ports to the north and south of the city. He said that the Waterways Board agreed with him after a discussion that it was appropriate to raise the mooring fees for resident and nonresidents by \$2.00 a foot (/ft.); even with the \$2.00 increase the city remains significantly under other comparable ports: the Town of Plymouth charges \$12/ft. and also charge a \$250 waterway usage fee per vessel; Manchester-by-the-Sea charges \$12.50/ft., regardless of whether the boat is in a yard trailered, at a private marina or on a public mooring. It was noted that Manchester doesn't have a federal designation in any area of their water sheet so they use some of those user fees to fund dredging and other capital projects; Rockport charges the same fees as Gloucester's current fees, but their operation is much smaller. Newburyport charges about the same as Gloucester but also charges a \$150 waterway usage fee for every boat. He advised that on Cape Cod fees are anywhere from \$12/ft. to \$16/ft. He said this change will still see the city's fees significantly under its neighbors, but that this increase will go a long way to supporting his department's move to provide a higher level of service to the city's boaters; and with the increasing amount of visitor transient boating traffic, the additional funds will be used to manage those needed services to help support the tourism sector.

Councilor Cox asked when the last time these particular fees were increased. **Harbormaster Ciarmetaro** advised it was in 2006 the fees were last raised (12 years). **Councilor Cox** highlighting Manchester's charging a waterway usage fee, asked if the Waterways Board discussed instituting such a fee. **Harbormaster Ciarmetaro** said there was a brief discussion with the Board, but there is more discussion to be had. He said the majority of towns with the water usage fee the boat owner is charged whether they have a mooring or not, adding that Boston's waterways usage fee is \$300. He conveyed that the dynamics in Gloucester are different, and that instituting such a fee isn't warranted at this time. **Councilor Cox** confirmed this is fee for mooring permit holders only. **Harbormaster Ciarmetaro** pointed out that annually this \$2.00/ft. increase will garner an additional \$40,000 in revenue. He said he doesn't see this fee being raised again in the foreseeable future. **Councilor Cox** pointed out they want to keep this fee as reasonable as possible.

Councilor Memhard confirmed with **Harbormaster Ciarmetaro** that the proposal is increasing the resident per foot fee from \$6.00 to \$8.00 and the nonresident per foot fee from \$8.00 to \$10.00 but no access fee is being considered or requested at this time.

Councilor O'Hara said he's not in favor of tacking on fees which add to the taxpayers' burden, but pointed out that since these fees haven't been raised in 12 years, it is appropriate at this time. He cautioned he's seen "a lot" of fee increases coming forward from the Harbormaster as well as expenditures, and that the Harbormaster will need to keep an eye on his department expenditures. He said they can't continue to burden the taxpayers. **Harbormaster**

Ciarametaro offered his agreement saying that he is a city taxpayer and in general isn't in favor of raising fees either. He pointed out there was quite a gap that was his responsibility to remedy between revenue and necessary expenditures when he took up the department's leadership and is what he is trying to do.

Councilor Memhard said this (raising of fees) is consistent with the professional review that the department underwent of its services and the department's ability to be (financially) self-sufficient. He said this goes to stepping up the department's professionalism as well as funding expenditures internally rather than other taxpayers' subsidies. **Mr. Dunn** expressed his agreement saying that if they deliver the services in an Enterprise Fund it has to be self-funding. He said the only other way to remedy the gap the Harbormaster's Department is facing is by appropriations. **Harbormaster Ciarametaro** explained that when he became Harbormaster there was no way to pay for the rental of the Harbormaster's facility, at a "hefty price tag," with no way to pay for it within the Enterprise Fund/Harbormaster's budget on top of 25 year old equipment and broken down outboards. He said this was a long time coming, and they're doing the best that they can to "get the ship righted."

Councilor Cox said there was also a gap of some time when fees hadn't been updated. Citing the expense to the city to remove old/abandoned mornings, for instance, which the Harbormaster had explained about the last time he was before the Committee -- the cost to remove that gear has increased greatly, and that the city wasn't keeping up with the times. She highlighted that during that same 12 year time period associated costs increased but not revenue. She thanked the Harbormaster for the care he's taken to examine carefully his department's budget against fees.

COMMITTEE RECOMMENDATION: On a motion by Councilor O'Hara, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council Amend GCO Ch. 10 "Waterways" Section 10-51(e) "Fees." by DELETING the phrase, "at the rate of \$6.00 per foot for city residents and taxpayers..." and ADDING the phrase in its place, "at the rate of \$8.00 per foot for city residents and taxpayers..." and by DELETING the phrase, "at the rate of \$8.00 per foot for nonresidents." and ADDING the phrase in its place, "...at the rate of \$10.00 per foot for nonresidents."

Harbormaster Ciarametaro advised that this next amendment to Chapter 10 "Waterways" is not an increase in a fee but the institution of a fine as a prevention tool primarily, and to allow for enforcement if necessary. He described an issue with dinghy dock permit holders leaving their dinghies tied up to city-owned dinghy docks beyond the boating season. He said with the onset of the fall and winter his department has a problem having to remove damaged or sunk dinghies at the city's expense when owners don't take care of it. Because of this, he said, they'd like to institute a fine to be assessed at \$25.00 per day (/day) if dinghies aren't removed by an appropriate date at the end of the boating season. Should the Council approve the ordinance amendment, he conveyed he would advise dinghy dock permit holders of this change on their permit renewals/new permits for the coming season stated right on the permit itself. This amendment affects the three city-owned dinghy docks -- Cripple Cove, Lobster Cove and Magnolia Pier. The date difference for the deadline to remove dinghies is driven by Magnolia Pier being totally exposed to the elements. He explained that any time after September 15 it becomes dangerous to try and remove that dinghy dock -- that date is the maximum. The other two dinghy docks are in protected waters he advised.

Councilor Memhard asked what happens if someone doesn't pay the fine. **Harbormaster Ciarametaro** said like any other fine he is authorized to write under MGL Ch. 90B or a city ordinance pertaining to it, this would be an issuance of a regular citation which if unpaid goes to the District Court held by the Court for 21 days. If the citation isn't paid within 21 days, the Court issues a criminal complaint. After that, he explained, there is a Magistrate's hearing; if the person to whom the citation doesn't show, a warrant is issued. **Councilor Cox** confirmed with the Harbormaster that should that transpire, the permit holder would lose their permit from the city. **Councilor Cox** said a dinghy is left and sunk, and a permit holder walks away because it costs money to deal with raising and removing it, she asked if a fine \$25 of a day is enough. **Harbormaster Ciarametaro** said that if it was a huge problem they might want to discuss a different avenue, but \$25/day can add up quickly. If his department has to remove the dinghy, there is a fine of \$100 under the ordinance for "relocation of vessel," in addition to this fine of \$25/day, he pointed out.

Councilor O'Hara said while he understands notice will be made on the dinghy dock permits he asked about signs being posted at the start of the boating season to warn dinghy dock permit holders of the end of season dock removal deadline. **Harbormaster Ciarametaro** said there is an advisory sign that goes up at Magnolia Pier but isn't permanent. He said posting a permanent sign is possible, noting that Sept. 15 is early, and that this year they took the dock out October 1st and conditions were "pretty nautical." The date isn't a new date, he pointed out.

Councilor Cox expressed that in her opinion the less signs, the better and said she wouldn't support permanent signage in remote areas. The Harbormaster said there are 15 people on that particular dinghy dock only. He said there is a problem with signs posted in remote areas as they tend to be ripped out. They have replaced a lot of signs

and in some places they just don't put them up anymore because of that. He confirmed this is not a new date to the Magnolia Pier permit holders. **The Harbormaster and Councilor O'Hara** discussed the September 15 removal deadline and the issue of a permanent sign further.

Mr. Dunn said that Harbormaster can make the decision about posting a permanent sign with the advice of the Waterways Board. **Councilor Cox** reminded Councilor O'Hara that he can also submit a Councilors' Request to the Mayor.

COMMITTEE RECOMMENDATION: On a motion by Councilor O'Hara, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council Amend GCO Ch. 10 "Waterways" Section 10-52 by adding new subsection 10-52(h) as follows:

"10-52(h) All vessels shall be removed from Public Floats at Cripple Cove and Lobster Cove by November 1 and Magnolia Pier by September 15 unless otherwise authorized by the Harbormaster. Any vessels left beyond September 15 and November 1 deadlines shall be assessed \$25.00 per day."

The Supplemental Appropriation will come forward under the B&F Committee Report. The matter of the request to increase mooring fees and dinghy dock fines will be advertised for public hearing.

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

Kenny Costa, City Auditor, reviewed his reports placed on file with the Committee.

A motion was made, seconded and voted unanimously to adjourn the meeting at 6:55 p.m.

Respectfully submitted,
Dana C. Jorgensson
Clerk of Committees

DOCUMENTS/ITEMS SUBMITTED AT MEETING:

- Memo from City Auditor regarding accounts having expenditures which exceed their authorization & Auditor's Report dated February 8, 2018