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City of Gloucester

City Council

CITY HALL • GLOUCESTER • MASSACHUSETTS • 01930
Telephone 508-281-9722 Fax 508-281-8472

CITY COUNCIL STANDING COMMITTEE
Budget & Finance Committee
Thursday, December 2, 2010 – 6:00 p.m.
1st Fl. Council Conference Rm. – City Hall

AGENDA (Items May Be Taken Out of Order)

1. *Continued Business:*

A) Memorandum from Community Development Director re: acceptance of Seaport Advisory Council in the amount of \$500,000.00

2. *Memorandum from Fire Chief re: acceptance of a donation of a 1977 CF Mack 1250 GPM Pumper from the Town of Lynnfield*

3. *CC2010-081 (Verga) Request to purchase Speed Study Equipment*

4. *Certified Free Cash:*

- a) *Request by the Administration re: Distribution of 2010 Certified Free Cash*
- b) *Discussion with City Auditor re: Free Cash Deficits*

5. *Memo from City Auditor regarding accounts having expenditures which exceed their authorization*

COMMITTEE

Councilor Steven Curcuru, Chair
Councilor Paul McGeary, Vice Chair
Councilor Jacqueline Hardy

Committee members – Please bring relevant documentation

Back-up and Supporting Documentation all on file at the City Clerk's Office, City Hall

CC: Mayor Carolyn Kirk
Jim Duggan
Kenny Costa
Jeffrey Towne
Fire Chief Phil Dench
Police Chief Michael Lane

City Hall Annex
Three Pond Road
Gloucester, MA 01930



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sgarcia@gloucester-ma.gov

CITY OF GLOUCESTER
COMMUNITY DEVELOPMENT DEPARTMENT

MEMORANDUM

TO: Mayor Carolyn Kirk
FROM: Sarah Garcia, Community Development Director
RE: City Council Acceptance of Seaport Bond
Funds for Harbor Walk
DATE: October 18, 2010

The Seaport Advisory Council has awarded \$500,000 to the City of Gloucester for design and construction of a Harbor Walk in the downtown area. This award moves the City substantially forward toward accomplishing this important objective.

The 2009 Harbor Plan and Designated Port Area Master Plan identified the Harbor Walk strategy.

"Create linked public access segments that can create a critical mass to attract investment. A continuous, active waterfront corridor can stimulate the new investment needed from emerging maritime commerce as well as serving the widely-expressed desire from citizens for access along the harbor." (Section 4-2, The Role of Supporting commercial Use and Public Access.)

The draft 2010 Harbor Economic Development Plan identifies the "Future Public Realm" on a map that looks at opportunities for a harbor walk from Stacey Boulevard to Cruiseport.

The current Harbor Walk proposal builds upon existing built portions, linking them to create a continuous waterfront walk from the Visitor's Center at the Chamber of Commerce to the recently purchased I4-C2. This section of the walk will emphasize connections to downtown – both Main Street and the Civic Center – to reestablish the essential economic link between downtown and the waterfront. Please find attached the analysis performed by the project managers in Community Development.

Please forward our request to the City Council for acceptance of the grant funding from the Seaport Advisory Council. Thank you.

Attached: 2010 draft Harbor Economic Development Plan "Future Public Realm" map
Gloucester Harbor Walk map and segment analysis

Office of the Fire Chief
Philip S. Dench
8 School Street
Gloucester, MA 01930



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pdench@gloucester-ma.gov

CITY OF GLOUCESTER
FIRE DEPARTMENT

MEMORANDUM

Date: October 25, 2010
To: Mayor Carolyn Kirk
From: Philip S. Dench, Fire Chief *RJD*
Subject: Lynnfield Pumper

RECEIVED

NOV 8 2010

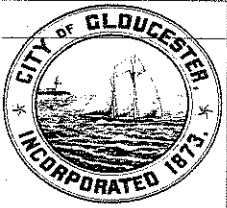
Mayor's Office

Under Massachusetts General Law Chapter 30B, the Town of Lynnfield has offered to donate to the City of Gloucester a 1977 CF Mack 1250 GPM pumper. The vehicle has been at fire headquarters for a couple of weeks while we have been evaluating it. My mechanics all agree that the vehicle appears in good shape. There are a couple of minor issues but they are small. I have had the vehicle evaluated by a licensed Massachusetts vehicle inspector, Mr. Frank Brewer of Frank Brewer Inspections. Although he did not perform a thorough inspection, he drove the vehicle and did a visual inspection. Mr. Brewer feels that the vehicle will pass a Massachusetts Vehicle Inspection. The pump was rehabbed a few years ago and should be in good shape. I feel that it will pass a pump test.

The reason for accepting this vehicle is that we currently have two pumpers, Engine 1 and Engine 5 that will not pass pump tests. They are both 1989 Pierce Dash pumps. Engine 5 did not pass the Massachusetts Vehicle Inspection due to significant rust. When he did the inspections, Mr. Brewer also advised that Engine 1 will probably not pass the Vehicle Inspection next year due to rust.

My intent is to get a couple of years reserve service out of the Lynnfield pumper. We currently have three pumps in service, Engine 4 and 6 (both 2005 Sutphen pumpers) and Engine 3, a 1998 Pierce Saber pumper. As it stands right now, Engine 4 is in-service in Headquarters, Engine 6 is in-service in West Gloucester, and Engine 3 is in-service in Bay view. When the opportunity arises to open Magnolia station, I would not have a pump to run out of that station. If one of our three in-service pumpers goes down for repairs, we have no back-up to replace it. We are unable to offer a pumper for Mutual Aid to other communities.

This is a short term proposal. We currently have a new pumper out to bid and the plan is to work with the CIAB to purchase another pumper next year. When we receive our new pumper, the Lynnfield pumper will be a spare. If we are able to get the second pumper in FY 2012, Engine 3 will be the spare pumper and we can surplus the Lynnfield pumper.



**CITY OF GLOUCESTER 2010
CITY COUNCIL ORDER**

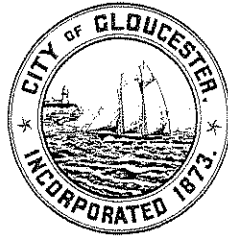
ORDER:	#CC2010-081
Councillor	Greg Verga

DATE RECEIVED BY COUNCIL:	11/23/10
REFERRED TO:	B&F and Police Dept.
FOR COUNCIL VOTE:	

ORDERED that the City Council via the Budget and Finance Committee review with the Police Department the possibility of the City purchasing Speed Study Equipment. Further, that the City pursue a funding source for said equipment within existing budgets and/or through grant opportunities.

Councillor Greg Verga

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Nine Dale Ave
Gloucester, MA 01930



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CITY OF GLOUCESTER
OFFICE OF THE MAYOR

MEMORANDUM

TO: City Council
FR: Mayor Kirk
RE: FY10 Certified Free Cash
DT: November 22, 2010

Councilors,

Please join me in celebrating a significant turning point in the fiscal health of the city of Gloucester. This milestone is significant in a number of ways:

1. Nine years ago was the last time there was positive free cash certified for Gloucester which was in 2001.
2. When my Administration took office in 2008, free cash was at an all time record low of negative \$3,818,442. It took three years of focused effort to turn this around. Not only did we have to recover the ground that was lost and causing the negative balances, we had to produce positive balances in the fiscal year for which the free cash is being certified (FY10).
3. The turnaround was made more difficult because of the local, state and national recession and the corresponding multi-million dollar loss of local and state revenues.
4. Positive free cash is a sign of fiscal health and discipline. For any fiscal year, it demonstrates:
 - a. Accurate and conservative budgeting on revenues;
 - b. Effective oversight of expenditures;
 - c. Strong tax collections;
 - d. Elimination of deficit spending and spending beyond our means;
 - e. Appropriate responsiveness to volatile conditions as a result of the recession, i.e., with mid-year cut of state aid and local revenue estimations, the city cut expenses mid-year in response (FY09).
5. Positive free cash has been certified by the DOR in the Water, Sewer, and Waterways Enterprise accounts as well which demonstrates good financial management across-the-board. See Notification of Free Cash Approval from DOR dated Nov. 18, 2010.

TEAM EFFORT

Many people worked diligently to achieve this milestone, and we would like to recognize them:

- **Mayor's Office** – myself, and Chief Administrative Officer Jim Duggan have focused relentlessly on this goal, analyzing the problem, and executing a plan to solve it.
- **Jeff Towne, CFO** – Jeff Towne has been the force behind the effort to systematically close out deficits, and drive forward budgets that represent the Administration's philosophy of spending restraint and conservative planning. To improve the city's financial position during an historic recession will pay dividends to the citizens of Gloucester in the form of improved quality of life for years to come.
- **City Council Budget & Finance Chairman / City Council** – Steve Curcuru's leadership role on Council and liaison role with the City Auditor's office was instrumental in ensuring the plan was carried out to the satisfaction of the City Council. The Administration is grateful for the Council's dedication to restoring fiscal health to the city of Gloucester.
- **Collections Staff** – diligence and many times compassion in collecting overdue taxes was shown by staff.
- **Kristen Lindberg, Fiscal Analyst** – secured a \$1.2 million reimbursement from the state on the Title V program after the city fell behind in its paperwork
- **Department Heads** – all cooperated to clear up deficits that were in some cases many years old but contributing to the negative free cash position
- **Tom Markham, School Business Manager** – cooperated in clearing up deficits occurring in school accounts.
- **City Auditor** – In June 2010, Kenny Costa stepped right in and brought his considerable experience to bear to finalize the transactions and paperwork to the satisfaction of the DOR

In keeping with the Administration’s financial philosophy of spending restraint and conservative planning, we are pleased to submit the following free cash savings and spending plan. NOTE: Transfers will be forthcoming.

AMOUNT	DEDICATED PURPOSE	EXPLANATION
\$750,000	Stabilization Fund	No significant deposit has been made to the city's slim stabilization fund in nine years. A financial goal of the city is to build a combination of fund balance and reserves of at least 5% of operating revenues. Balance of stabilization fund as of 6/30/10 is \$1,542,721. This deposit will bring the level up to \$2,292,721. See chart.
\$500,000	Fund Balance Retention	Fund balance is the reserve held for operating expenses. Fund balance is also very slim. 5% of fund balance and stabilization reserves is our target and approximately \$4.5 million which is still on the low side of healthy.
\$200,000	School Buildings	This represents a reimbursement to the snow and ice account which was tapped for emergency repairs of school buildings for the start of the school year.
\$150,000	School Buildings	This represents the anticipated additional repairs needed this year to school buildings according to the DPW Director.
\$130,000	Pension Payment Shortfall	This is a reimbursement to the Workmen's Comp. account which was tapped to make up a shortfall in the pension line item when an anticipated pension reform failed to deliver the savings that Gloucester was counting on when the FY11 budget was set.
\$200,000	Employee Contracts: \$150,000 City \$ 50,000 to add to School contract line item which was budgeted at \$100,000	Most employee contracts have expired. No funding was carried in the city budget to settle contracts, however, the school budget carries \$100,000. This brings the total amount to settle city and school contracts to \$150,000 each for FY11.
\$27,000	High School Locker Room	Per the Superintendent's request for a "clean start" for students, this represents the amount required to repair damage that has occurred over a dozen years to the boy's locker room at the High School.
\$10,000	O.P.E.B.	This is for the establishment of a stabilization fund as recommended by the CFO and City Auditor for the purpose of funding liabilities for Other Post-Employment Benefits (OPEB), e.g., health insurance
\$25,293	Reserve for City Council Appropriation	The Administration recognizes the constraints under which all departments have been operating for the past few years. It is prudent to set aside a small amount for the Council to appropriate as it deems necessary.
\$1,992,293	TOTAL	CERTIFIED FREE CASH FOR FY10

Carolyn Kirk

From: recapdata@dor.state.ma.us
Sent: Thursday, November 18, 2010 11:26 AM
To: ckirk@ci.gloucester.ma.us; Jeff Towne - Treasurers; Kenny Costa - Auditors; Mary Richardson - Auditors
Subject: Freecash Approval Notification for Gloucester

Massachusetts Department of Revenue Division of Local Services
Navjeet K Bal, Commissioner
Robert G. Nunes, Deputy Commissioner & Director of Municipal Affairs

Thursday, November 18, 2010

Kenny Costa
City Auditor
City of Gloucester

Re: **NOTIFICATION OF FREE CASH APPROVAL - Gloucester**

Based upon the unaudited balance sheet submitted, I hereby certify that the amount of available funds or "free cash" as of July 1, 2010 for the City of Gloucester is:

General Fund		\$ 1,992,293
Water Enterprise	Enterprise Fund	\$ 324,152
Sewer Enterprise	Enterprise Fund	\$ 1,163,595
Waterways Enterprise	Enterprise Fund	\$ 545,638

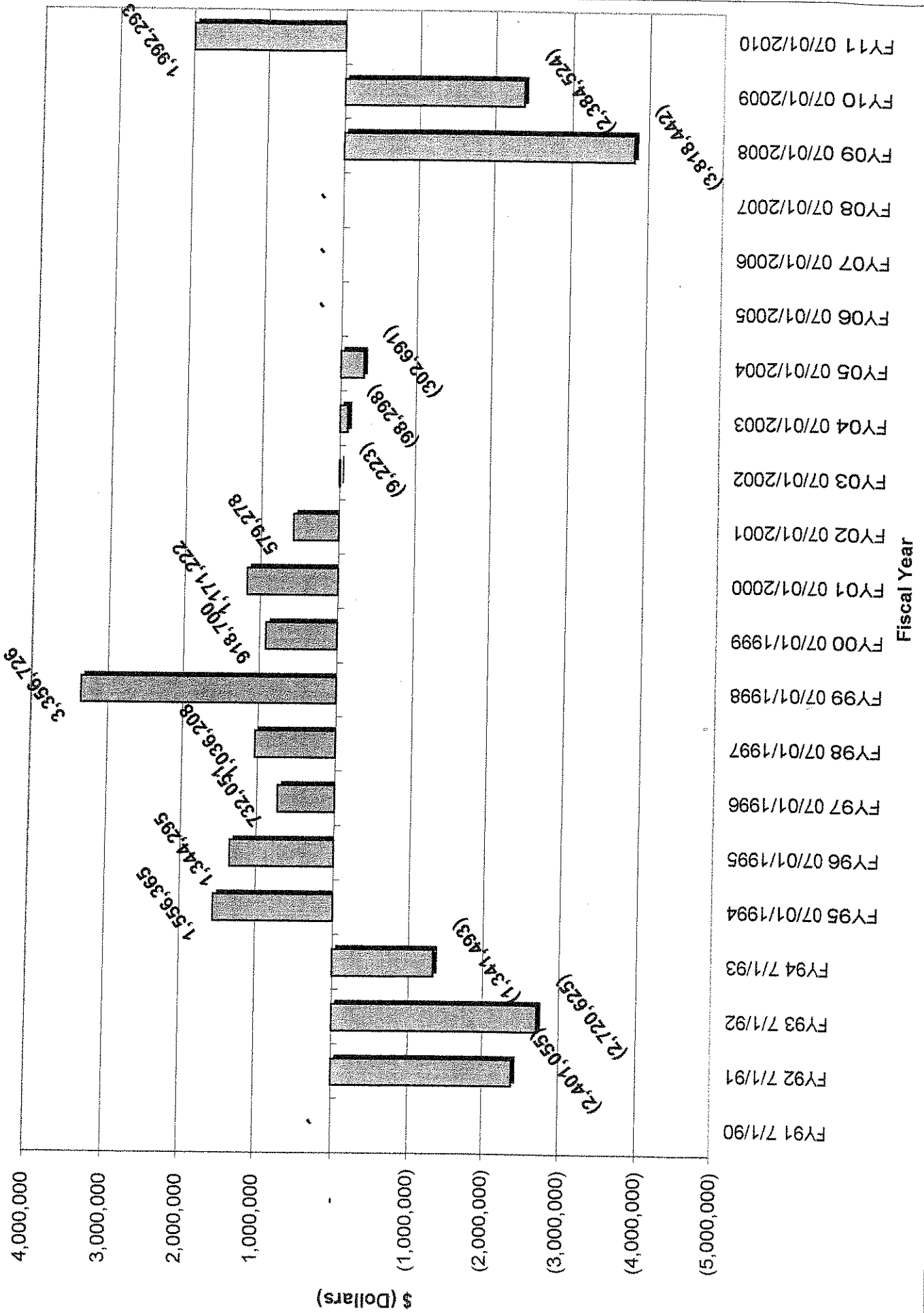
This certification is in accordance with the provisions of G. L. Chapter 59, §23, as amended.

Certification letters will be e-mailed to the mayor/manager, board of selectmen, prudential committee, finance director and treasurer immediately upon approval, provided an e-mail address is reported in DLS' Local Officials Directory. Please forward to other officials that you deem appropriate.

Sincerely,
Gerard D. Perry
Director of Accounts

This email and any files transmitted with it are confidential and intended solely for the use of the individual or entity to whom they are addressed. If you have received this email in error please notify the system manager at postmaster at dor.state.ma.us.

Free Cash FY1991 - 2011



Stabilization Fund Balances

