

Budget & Finance Committee
Thursday, February 7, 2019 – 5:30 p.m.
1st Fl. Council Conference Room – City Hall
-Minutes-

Present: Chair, Councilor Melissa Cox; Vice Chair, Scott Memhard; Councilor Ken Hecht

Absent: None.

Also Present: Kenny Costa; Jim Destino; John Dunn; Mike Hale; Adam Curcuru; Jill Cahill; James Pope; Karin Carroll; Larry Durkin; Chad Johnson; Chip Payson

The meeting was called to order at 5:30 p.m. Matters were taken out of order.

1. Memorandum from the Director of Public Health re: request acceptance of a bridge-funding grant in the amount of \$6,000 to sustain the Transportation to Detox Voucher Program

Karin Carroll, Public Health Director, reviewed the submitted documentation on the Transportation to Detox Voucher Program with the Committee, a bridge-funding grant for \$6,000 from the Addison Gilbert Hospital/Lahey Health. This grant funding should carry the program for another six months, she noted. She advised that the Voucher Program, piloted in FY18 (May-Nov.) provided over 110 transports to detox services for those persons who don't need medical transport, averaging about 16 transports per month. Insurance doesn't pay for these non-medical transports. This program also eliminates the need for patients to seek treatment at local emergency rooms, thereby reducing the associated cost and burden to local ER's. They are working with the same agencies: Action, the Grace Center, Life Bridge and Lahey Emergency Services, through this program extension, she noted, with the Health Department offering their assistance.

Councilor Cox asked about the data results from the last grant citing there was to have been an emphasis of working towards prevention versus assistance. **Ms. Carroll** advised she can ask Lahey for that clinical reporting for repeats. She conveyed that as they move forward they'd like to see these people tracked long term which could mean a multi-year follow up to see how they're doing, how many times they've relapsed, etc. She added that this could help Lahey to be able to advocate for funding, and are hoping that Lahey will take this up and move forward with the program. **Councilor Cox** pointed out she would okay the acceptance for the grant but advised she wants to see those clinical numbers -- how many repeats were there of the 110 transports, and evidence of working towards prevention. She asked if these transports are residents of Cape Ann as the grant is specific. **Ms. Carroll** advised the transports come from Beverly Hospital or the AGH admissions from their emergency room; the Grace Center and the Action Shelter. **Councilor Memhard** highlighted that defining "resident" for an individual who must utilize the Action Shelter is difficult but that these are Cape Ann venues they're being transported from.

COMMITTEE RECOMMENDATION: On a motion by Councilor Hecht, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 in favor, 0 opposed, to accept under MGL Ch. c. 44, 53A a private grant from the Addison Gilbert Hospital of the Northeast Hospital Corporation, in the amount of \$6,000 as bridge funding to sustain the Transportation to Detox Voucher Program for a nine-month period. This program is overseen by the Gloucester High Risk Task Force to provide on-demand access to detoxification treatment for at-risk Cape Ann residents. There is no match and grant expires September 30, 2019.

2. Memorandum from Assistant Director of Public Works re: request acceptance of a Mass. Dept. of Environmental Protection grant in the amount of \$28,000

Mike Hale, Public Works Director, reported that the Mass. Dept. of Environmental Protection (MDEP) has awarded the city a Recycling Dividends his department applies successfully annually. The grant for \$28,000 is used to enhance the performance of the city's successful waste reduction programs and elementary school education programs. He touched on the weighted standards of city waste reduction programs that the city met to be awarded this grant. He also touched briefly on the school educational outreach programs.

COMMITTEE RECOMMENDATION: On a motion by Councilor Hecht, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 in favor, 0 opposed, to accept under MGL Ch. 44, 53A a State Recycling Dividends Program grant under the Sustainable Materials Recovery Program from the Mass. Department of Environmental Protection (MDEP) for \$28,000 for the purpose of enhancing the City of

Gloucester's waste reduction programs. The grant has no match and unused funds may be rolled over to future fiscal years.

3. Memorandum from Director of Veterans' Services re: request acceptance of donations in the amount of \$8,466.50 to support Cape Ann Veterans' Services

Adam Curcuru, Director of Veterans' Services, explained that \$8,466.50 in donations from members and business partners in the community for 2018 have been received. These donations will continue to support the efforts to serve Cape Ann veterans and the active duty military communities. He reviewed that this funding allows activities to be funded such such as the annual football game; bring "The Wall" to Gloucester; advertisements for their office; the networking group.

Councilor Cox noted there is an increase to the original total for donations. **Kenny Costa**, City Auditor, noted that an additional \$250 is accounted for which comes from the Cape Ann Brewery through Councilor LeBlanc's turn as a celebrity bartender at that establishment whose benefitting charity was the Cape Ann Veterans' Services. This brings the total of donations for acceptance to \$8,716.50.

COMMITTEE RECOMMENDATION: On motion by Councilor Hecht, 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, donations from members and business partners to the Cape Ann Office of Veterans' Services for the purpose of supporting on-going efforts to serve Veterans and Active Duty military for a total of \$8,716.50 as follows:

<u>Name/Entity</u>	<u>Dollar Amount</u>	<u>Date Received</u>
Semper Pie LLC	\$2,500.00	12/20/2018
Pratty's CAV, Inc.	\$1,116.50	10/29/2018
Pratty's CAV, Inc.	\$1,000.00	10/16/2018
Carol Schaefer Judd	\$ 50.00	12/22/2018
Hilary Frye	\$ 300.00	12/20/2018
Sgt. David Coullard Memorial Fund	\$2,000.00	12/10/2018
Essex County Community Foundation	\$ 500.00	09/28/2018
West Gloucester Trinitarian Congregational Church	\$1,000.00	08/27/2018
Cape Ann Brewery	\$ 250.00	02/01/2019
TOTAL:	\$8,716.50	

4. Memorandum from Community Development Director re: request acceptance of a Mass. Cultural Council grant in the \$5,000 for the Gloucester Downtown "Harbortown" Cultural District

Jill Cahill, Community Development Director, explained that the Gloucester "Harbor Town" Downtown Cultural District is in receipt of a \$5,000 grant from the Mass. Cultural Council, much like the recently accepted Rocky Neck Cultural Council grant from the same grant funding entity. Again, there is no match, she noted. The Harbor Town Cultural District is going through a redesignation, but the MA Cultural Council awarded the funds regardless. Plans are to work with the Cultural District and the HarborWalk, which doesn't have a maintenance budget but is an integral part of the downtown; it will become the district's focus for use of the grant funds. This will be a good time to co-brand the Gloucester Downtown Cultural District with the HarborWalk. They'll redesign the HarborWalk brochure and reprint it, the #1 most requested brochure both at the Stage Fort Park Visitor's Center and at the Cape Ann Chamber of Commerce. A lot of work on the website has to be done as well; currently the app isn't working, so there is a need to redesign and improve the website and determine whether they should keep the app. She advised they're working on the HarborWalk's infrastructure pieces with the DPW and Generous Gardeners.

COMMITTEE RECOMMENDATION: On a motion by Councilor Hecht, 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 state grant from the Massachusetts Cultural Council a FY19 Cultural District

Initiative Grant in the amount of \$5,000 for the purpose of supporting the virtual marketing efforts of the Gloucester Downtown “Harbortown” Cultural District. The grant has no match. The grant period is from July 1, 2018 to June 30, 2019 and all financial activity must occur prior to June 30, 2019.

5. Supplemental Appropriation-Budgetary Requests 2019-SA-20, -21, -22, -23, 24 & 25 from the CFO

Mr. Hale explained that this Supplemental Appropriation represents the city’s share of the funding to repave the Rose Baker Senior Center parking lot. When the Senior Center was built, the city granted three easements from Gorton’s of Gloucester, the Liquor Locker, and the former Laventis Building which is now six business condominiums that will each have a share in the paving and maintenance responsibilities. He termed the parking lot as in “desperate condition.” The Liquor Locker and Gorton’s are ready to go, but it is other building with the condominium owners that still needs to indicate they are ready to participate but that there is time. He advised the work won’t be done until April, possibly May and will likely be night work. He described that in order to pave the lot they have to take the repaving right up to the buildings and make it seamless and fix some of the underlying issues that have plagued the lot. Much of that lot is owned by the city, but the Liquor Locker owns the largest private share of the private parking. **Councilor Memhard** pointed out that the Liquor Locker had done some maintenance previously. **Mr. Hale** noted that Gorton’s has an issue with their security gate because the paving is deteriorated. He confirmed that this work will be contracted out, and that they’ll look for additional funding for the egresses to the Senior Center. He pointed out that cars get too close to the building, and installing bollards will assist with the limits of parking, he added.

COMMITTEE RECOMMENDATION: On motion by Councilor Hecht, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2019-SA-20 in the amount of \$35,000 (Thirty Five Thousand Dollars) from General Fund, Undesignated Fund Balance (“Free Cash”) Account #0001-359000 to General Fund, DPW-Public Services Repair & Maintenance - Paving, Account #0147052-524014 for the purpose of funding the paving project of the Rose Baker Senior Center Parking Lot.

James Pope, IT Director, explained that there is a project for a total of \$50,000 with \$25,000 coming from the Comcast Technology Fund and the other \$25,000 from Free Cash for a complete redesign of the city’s website. The redesign will have an emphasis on reviewing, updating and rewriting content as well as one new feature that will have event mapping so people can see where events are happening around the city which comes from the Special Events Advisory Committee’s output.

Responding to an inquiry by **Councilor Cox**, **Mr. Pope** advised that payments to the city on line are part of another on-going project. They’re already using the new payment website for tax bills but water bills need to be moved over to that website by the end of the fiscal year. **Jim Destino**, CAO, advised this website redesigning will be a new user-friendly dashboard and visually appealing, with **Mr. Pope** adding that there will be a great upgrade as to website content. **Councilor Hecht** noted this will is a tremendous staff effort and a positive step forward.

COMMITTEE RECOMMENDATION: On motion by Councilor Hecht, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2019-SA-21 in the amount of \$25,000 (Twenty Five Thousand Dollars) from General Fund, Undesignated Fund Balance (“Free Cash”) Account #0001-359000 to General Fund, Management Information Systems-Website Costs, Account #0115552-534008 for the purpose of partially funding a redesign of the city of Gloucester’s website.

Chip Payson, General Counsel, advised that it is hard to predict what legal issues will arise annually, and there were some unique personnel issues this year that entailed a number of anticipated substantial bills from outside counsel estimated at \$45,000. He added it is hoped these funds will carry his department to the end of the fiscal year. **Councilor Cox** advised that the Councilors, should they have any questions on this matter to seek out Mr. Payson directly and individually. She noted she would vote in favor for the appropriation.

COMMITTEE RECOMMENDATION: On motion by Councilor Hecht, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2019-SA-22 in the amount of \$45,000 (Forty Five Thousand Dollars) from General Fund, Undesignated Fund Balance (“Free Cash”) Account #0001-359000 to General Fund, Law-

Legal Services, Account #0115152-530010 for the purpose of funding current and future legal services billings for ongoing litigation.

Mr. Hale recounted that during last year's DPW budget meeting the water meter replacement program was stripped out funding for with the understanding they would come back mid-year for funding. Water meters, he explained, are what drive the Water/Sewer Enterprise Funds' revenue--without accurate meters they have no accurate billing. Slow meters don't capture the full amount of what people consume. There hasn't been a robust meter replacement program since the mid-1990's. He explained that water meters have a 10-year shelf life before they get really slow. The DPW replaces meters through appointment to see if it's old, if it's lead-free brass and replaces it if it doesn't meet the criteria. They have no stock of meters currently. These new meters will be installed between now and August.

Responding to an inquiry by **Councilor Cox**, **Mr. Hale** described that water meters are priced according to their size. He gave the example that household meters on average cost about \$300; the rate of return by replacing such a water meter is months not years. A big meter that's not working properly would pay off within one month, he pointed out, for a commercial entity that uses a great deal of water. When they replace the meter they're replacing the remotes which transmit data. The new meters give more detailed information which is in real time and can be graphed through modern technology but visually is no different. It makes explaining to residents why their water bill may be high much easier by actually being able to show them. As the meters read consumption for both water and sewer usage it will be split between the two Enterprise Funds -- Water and Sewer.

Councilor Hecht discussed with **Mr. Hale** that the water meter program cost expended and how the expended funds are returned quickly to the Enterprise Funds.

COMMITTEE RECOMMENDATION: On motion by Councilor Hecht, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2019-SA-23 in the amount of \$102,500 (One Hundred Two Thousand Five Hundred Dollars) from Water Enterprise Fund, Undesignated Fund Balance-Retained Earnings ("Free Cash") Account #6000-359000 to Water Enterprise Fund, Capital Outlay-Water Meter & Parts, Account #6000-588501 for the purchase of water meters and related equipment inventory.

COMMITTEE RECOMMENDATION: On motion by Councilor Hecht, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2019-SA-24 in the amount of \$102,500 (One Hundred Two Thousand Five Hundred Dollars) from Sewer Enterprise Fund, Undesignated Fund Balance-Retained Earnings ("Free Cash") Account #6400-359000 to Sewer Enterprise Fund, Capital Outlay-Water Meter & Parts, Account #640058-588501 for the purchase of water meters and related equipment inventory.

Mr. Hale then advised this next Supplemental Appropriation is for the replacement of approximately 1,200 linear feet of metal railing along Stacy Boulevard's easterly side (from The Tavern on the Harbor to the north side of the Blynman Canal) that runs atop the seawall. The same firm that designed the westerly side reconstruction of the Boulevard gave the DPW some pricing. This total amount includes the survey, plan development, permitting, and developing bid documents. Based on the unit price they paid on the westerly side they carried it through to the easterly side. He admitted it is costly, with **Councilor Cox** adding that it is very necessary work. He pointed out that the DPW can't keep up with the spot repairs they're making with steel pipe which only lasts one season. The survey piece is important as there are various shapes to the railing that must be fabricated. Responding to a question on the lifespan of the railing from **Councilor Cox**, he noted the installation of similar railing at Fort Square in 2003; and while not the same exposure, it still looks brand new. He spoke with **Councilor Hecht** about interest in looking at the easterly side for aesthetic enhancements for the city's 400th anniversary and ensuring this investment lasts. **Mr. Destino** mentioned the moving of the bridge tender's house and \$150,000 remaining from the negotiations associated with moving of that structure, and that the city is eying the installation of restrooms in that area.

Councilor Memhard asked when this project would start and how long it will take to complete. **Mr. Hale** conveyed that by the time they're ready to bid this project the weather will be dependable. If they give the okay after this money is certified, they can enter into a contract with GZA to begin the design. They already have the basic design from the westerly side work. He reported that there aren't a lot of metal fabricators who do this particular type of work which takes time, and they need to ensure that the fabricators are qualified. **Mr. Destino** pointed out it is good to see that this isn't a loan order. Note: Funds are from the city's Capital Project Stabilization Fund.

COMMITTEE RECOMMENDATION: On motion by Councilor Hecht, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2019-SA-25 in the amount of \$390,000 (Three Hundred Ninety Thousand Dollars) from the Capital Project Stabilization Fund, Undesignated Fund Balance, Account #7600-359000 to Capital Project Stabilization Fund, Stacy Boulevard Railings-Site Improvements, Account #760016-584000 for the replacement of approximately 1,200 linear feet of railings along Stacy Boulevard.

6. Supplemental Appropriation-Budgetary Requests 2019-SA-26, -27 & -28 from the Harbormaster

Assistant Harbormaster Chad Johnson advised that the Waterways Board has voted in support of three Supplemental Appropriations from the Waterways Enterprise Fund Free Cash and reviewed them as follows:

2019-SA-26: \$10,000 for payment of property taxes for 19 Harbor Loop, the Harbormaster's Office, per the lease agreement: **Mr. Destino** advised they didn't take ownership of this until this year and didn't budget for it, which is why the payment is coming from retained earnings. It will be budgeted for next year, he assured.

2019-SA-27: \$10,000 for Harbormaster Temporary Wages to back fill the account from summer events: Budgeted funds were used on the front side of the fiscal year, but they were short at the end of the year having to staff during special events, etc., resulting in an account deficit.

2019-SA-28: \$13,000 for procurement and buildout of new dock at Lane's Cove Public landing as well as the buildout of 10 city-owned and permitted kayak racks: Kayak slots in the racks are rented like a dinghy slip. Each location is anticipated to have two racks located in: Magnolia, Rocky Neck, Lane's Cove, and Stage Fort Park. **Mr. Destino** discussed how these city-owned kayak racks built by the DPW will bring income for the city. He touched on an anticipated Intermunicipal Agreement with Manchester for their abutting water sheet in Magnolia and also touched on the rebuild of the Magnolia Pier and the adjacent dinghy docks. **Mr. Hale** added that they DPW has already built three racks, but that they also have to pour concrete pads for their installation, and at this time there are some unknowns, describing some of the issues associated with installation of the racks at certain sites as well as figuring out their placements. It is expected there will be 90 kayak slots to rent in all. The kayak rack storage season will be similar to the dinghy dock season, and a season pass will be \$50. A kayak storage contract will be signed, and a sticker issued that has to be affixed to the kayak. **Mr. Destino** advised this will grow organically and as more income comes in from these initiatives. **Councilor Hecht** expressed his approbation for this program.

COMMITTEE RECOMMENDATION: On motion by Councilor Hecht, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2019-SA-26 in the amount of \$10,000 (Ten Thousand Dollars) from Waterways Enterprise Fund, Undesignated Fund Balance-Retained Earnings ("Free Cash"), Account #7000-359000 to Waterways Enterprise Fund, Rental-Buildings, Account #700052-527001 to pay rent expenses for FY2019 for the Harbormaster's rented building at 19 Harbor Loop.

COMMITTEE RECOMMENDATION: On motion by Councilor Hecht, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2019-SA-27 in the amount of \$10,000 (Ten Thousand Dollars) from Waterways Enterprise Fund, Undesignated Fund Balance-Retained Earnings ("Free Cash"), Account #7000-359000 to Waterways Enterprise Fund, Salaries & Wages-Temporary, Account #700051-512000 to fund a projected shortfall in this account.

COMMITTEE RECOMMENDATION: On motion by Councilor Hecht, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2019-SA-28 in the amount of \$13,000 (Thirteen Thousand Dollars) from Waterways Enterprise Fund, Undesignated Fund Balance-Retained Earnings ("Free Cash"), Account #7000-359000 to Waterways Enterprise Fund, Infrastructure-Boating Facilities, Account #700058-588008 for the purchase of supplies to build kayak racks and a Lane's Cove rack.

7. Memorandum from CFO re: request amendment to Loan Order 2018-005 to include \$600,000 for additional funding for the Babson Water Treatment Plant

Mr. Hale explained that this is for what is classified as emergency work for the Babson Water Filtration Plant. The loan authorization the Council approved in July 2018 was for \$1.5 million, he recounted: \$250,000 for design and construction oversight and \$1.25 million for the construction. The market for public works construction now is in the contractors' favor; the estimates and prices for the projects are driven by the availability of contractors. The bids came in high at \$1.7 million, making the city \$500,000 short with no scope change. He advised that they have to get this work done; they can't keep the filtration plant functioning without this work being completed. He reminded the Committee that they reviewed in detail with them the particulars of this loan in July. They have the contractor, he advised. This is SRF funding and there is some principal loan forgiveness because Gloucester is an environmental justice community. The principal loan forgiveness percentage fluctuates, varying year to year. **Larry Durkin**, Environmental Engineer advised that the principal loan forgiveness is usually 4% to 10%; for the Goose Cove DPW sewer pump station project the loan forgiveness totaled \$400,000. **Mr. Hale** added that many times there are favorable balances from these projects, and they come back to the Council for reprogramming those funds, but this time they're short and have no choice. **Mr. Durkin** advised that being an emergency project by the state, the design work can be included for the loan authorization which normally it is excluded and that the city must fund that cost.

COMMITTEE RECOMMENDATION: On a motion by Councilor Hecht, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve the following amendment to Loan Order 2018-005 for an additional \$600,000 for a new total loan authorization of \$2,100,000 as follows:

Ordered: That Loan Order 2018-005, Certificate of Vote 2018-124 of this Council approved July 12, 2018 authorizing the borrowing of \$1,500,000 to pay the costs of improvements to the Babson Water Treatment Plant is amended in its entirety to provide as follows:

That the City of Gloucester appropriates Two Million One Hundred Thousand Dollars (\$2,100,000) to pay costs of improvements to the Babson Water Treatment Plant, 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(1), 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 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.

8. *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 report with the Committee.

A motion was made, seconded and voted unanimously to adjourn the meeting at 6:50 p.m.

Respectfully submitted,

Dana C. Jorgenson

Clerk of Committees

DOCUMENTS/ITEMS SUBMITTED AT MEETING: None.