

SPECIAL GLOUCESTER CITY COUNCIL MEETING

Tuesday, May 7, 2019 – 7:00 p.m.

Kyrouz Auditorium – City Hall

-MINUTES-

Present: Councilor Paul Lundberg; Councilor Steven LeBlanc; Councilor Melissa Cox; Councilor Valerie Gilman; Councilor Ken Hecht; Councilor Jen Holmgren; Councilor Scott Memhard; Councilor Sean Nolan
Absent: Councilor O'Hara

Also Present: Mayor Sefatia Romeo Theken; Jim Destino; Joanne Senos; Kenny Costa; John Dunn;
**Assistant Fire Chief Joseph Aiello; Police Chief Edward Conley, III; Jill Cahill; Nancy Papows; Donna Leete;
James Pope; Karin Carroll; Vanessa Krawczyk**

The meeting was called to order at 7:02p.m.

Flag Salute & Moment of Silence.

Oral Communications: None.

Consent Agenda: None.

Presentation: Mayor Sefatia Theken – Presentation of Mayor's Proposed FY20 Budget

Mayor Romeo Theken, saying she was pleased to present the annual budget for the City of Gloucester for FY20 thanked the City Council and City Managers and reported the following (notes on file) and made the following remarks:

- This budget reflects a balanced and responsible spending plan for the community that continues to invest in municipal infrastructure, education and public safety;
- The community is still facing many challenges that require strategic and sensible leadership including affordable housing needs, substance abuse, climate change and juvenile mental health;
- There is much more work left to be done but the ongoing drive to ensure long-term stability continues;

She conveyed that the proposed FY20 budget represents a strong commitment to Gloucester's citizens. She offered her sincere appreciation and gratitude to Jim Destino, CAO; and John Dunn, CFO, for all their work on this budget, their daily guidance and oversight on all financial matters. She indicated they are very lucky to have them in charge of the city's "checkbook." She also offered her thanks to all of the city employees, the volunteer member of the city boards, committees and commission, the School Committee and City Council. She conveyed there is an amazing team in Gloucester and that she and her Administration are committed to moving Gloucester forward together every day.

Jim Destino, CAO, then reviewed that:

- Being fiscally responsible is "key" to everything they do;
- Over the last five years the city has invested in economic development, IT, planning for capital improvements for city facilities, climate change initiatives, and for city employees.
- The Council's permitting efforts with the FMUV major project and the zoning changes for adult use marijuana are key to the city's growth.
- Collective goals can't be accomplished without sound budgetary discipline, and thanks were extended to the Council President, the Council and the Mayor for their support.
- The city's economic development efforts have inched up the city's percentage of commercial/industrial properties in the city and help to strengthen existing businesses; the Gloucester Fresh program is strong, growing and showing results; GMGI is very exciting and there is a hope of greater things to come for the city's waterfront.
- Investment in the cannabis sector including medical, cultivation, manufacturing and retail will provide good jobs and a revenue source when fully realized in the next several years which must be spent wisely.
- The additional commitment to funding over the last couple of years in Information Technology has shown to be a smart investment. As the B&F Committee heard from the city's outside auditor a few weeks ago, the city's online permitting is a great tool and a good step in the right direction towards delivering more efficient services to the public. The city will continue to expand its opportunities with ViewPermit and when the city's new website is launched later this year it is expected there will be greater access for residents and taxpayers using municipal services. The City's Munis conversion is moving along with expansion of services and team proficiency the goal moving forward.
- With the Council's vote on funding, the city now has a capital plan for its facilities, a new Capital Improvement Advisory Board and a plan to fund future capital needs. It will not be easy to stick to the budget plan the Administration has proposed and will take discipline.

- It was noted that the city's balance sheet and reserves are trending in the right direction which also took discipline and will take more of it ahead to meet the future funding challenges.
- The Mayor was credited for her persistence in advocating for the city with state and federal officials for local projects and making the case for the city. One of the new grant applications and proposals to combat climate change and protect the city's vulnerable facilities is to build a flood barrier at the high school.
- The biggest asset and expense in the city budget is its people. The Mayor and the CAO express their commitment to their employees which was indicated that it shows. To that end the Administration finished the classification and compensation study for all AFSCME employees to redefine their jobs, given them the opportunity to grow in their position, and to compensate them appropriately for their work. During the FY20 budget review the Council will see and bet to vote for the first time on contract increases for our "hard working" DPW. AFSCME A. It is hoped that the AFSCME B, clerical staffers, will be completed soon and in front of the Council or a vote as well. In addition, the Council will vote for a new contract with firefighters inside the FY20 budget.

Mr. Destino conveyed that he felt, "personally responsible" for not getting the [firefighter's] union to agree to more reasonable staffing levels. This department's budget remains completely out of step with all others. He announced that the Administration will continue in the next bargaining session to try for concessions that make sense for both the department and the taxpayers of the city.

He explained that the city prides itself on hiring competent people that starts with the city's Human Resources Director. He highlighted the transformations of the Harbormaster's Office, Grants and Community Development Departments, the Mayor's Office, the Board of Health and now the Police Department having added to the existing talented managers which he indicated is a, "great return of investment" for the taxpayers of the city.

He pointed out that the Administration seeks to strengthen its relationship with the schools and to better understand their needs. He noted the 2011 school audit called for better communication between the Administration, City Council and the School Department. He added that the schools will receive the largest percentage increase of new money in the FY20 budget.

- Revenues: It was noted that the CAO and the CFO, John Dunn are very conservative when budgeting revenue, but have seen many positive upward trends: New growth is strong with developments like Happy Valley, GMGI and the FMUV building permits coming forward along with the revenue for all cannabis industries.
- Proposed uses of new revenue: As with the city's Free Cash policy, it is planned to extract a percentage for the marijuana proceeds to go directly to a road improvement plan for public roads in the city; although it may take a while to address the backlog of roadwork there will be a plan to tackle this issue with a steady funding source that makes sense.

Mr. Destino offered his thanks to the Administration's financial team led by John Dunn, CFO; Grace Macan, financial analyst; and Vanessa Krawczyk, Assistant to the CAO for their efforts in compiling the financial plan for FY20 for the City of Gloucester.

COUNCILOR QUESTIONS:

Councilor Gilman asked where the public can obtain a copy of the city's budget. **Mr. Destino** advised there is hard copy available for public view at the City Clerk's office, and at the Sawyer Free Library and that it will be up on line on the city's website main page very shortly.

Councilor Hecht mentioned revenues gleaned from the cannabis industry in the city to be earmarked for roadwork and asked if it is in the budget. **Mr. Destino** advised that is in the future. There is no money for FY20 from the cannabis industries for the city yet; they are yet to be licensed by the Mass. Cannabis Control Commission. It is a plan that is put in place for the future which will extract a percent of that money that can be significant, up to \$3 million annually. They will work the plan, he noted.

Councilor Cox asked if there would be a link on the city's website home page. **Mr. Destino** advised it would be a newflash with a link and under the Mayor's Department.

Councilor Gilman asked if they could post the date of the public hearing on the budget would be added to the city's website. The City Clerk advised it would be posted with the Council agenda which will be on Tuesday, June 11th.

Council President Lundberg thanked the Administration and the Mayor for releasing the FY20 budget. He announced that the Council will vote to forward the FY20 budget to the B&F Committee under state statute and city ordinance. He thanked in advance the members of the Budget & Finance Committee: Chair, Councilor Melissa Cox; Vice Chair, Councilor Scott Memhard, and Councilor Ken Hecht.

Councilor Cox informed the City Council of the following: The upcoming B&F Committee meetings regarding the FY20 budget will be posted also as Committee of the Whole. The meetings start tomorrow, Wednesday, May 8 at 8:00 a.m. in the 3rd Fl. Conference Room at City Hall, touching on all departments that would be reviewed along

with an overview of revenues that day. She noted that the School Department will be reviewed on Monday evening May 13 at 5:30 p.m. taking place in Kyrouz Auditorium, with the rest of the city departments reviewed on Wednesday, May 15 starting at 8:00 a.m. in the 3rd Fl. Conference Room at City Hall including all Enterprise Funds and the FY20 water and sewer rates. The public hearing on the FY20 budget will be held on Tuesday, June 11 at 7:00 p.m. and the following Tuesday the Council will hold a Special meeting on June 18th to pass the FY20 budget. All agendas are posted appropriately, and all meetings are open to the public.

MOTION: On motion by Councilor Cox, seconded by Councilor Memhard, the City Council voted 8 in favor, 0 opposed, 1 (O'Hara) absent, that in accordance with MGL c.44, §32 and pursuant to the Gloucester City Charter Sec. 6 that the City Council accepts receipt of the Mayor's FY20 Proposed Budget and becomes the budget of the City Council and to refer this budget to the Budget & Finance City Council Standing Committee for further review.

A motion was made, seconded and voted unanimously to adjourn the meeting at 7:21 p.m.

Respectfully submitted,

**Dana C. Jorgensson
Clerk of Committees**

DOCUMENTS/ITEMS SUBMITTED AT MEETING:

- **City of Gloucester FY20 Proposed Budget**
- **Jim Destino, CAO – Written statement**