

CITY COUNCIL STANDING COMMITTEE

Budget & Finance

Wednesday, March 2, 2011 – 6:00 p.m.

1st Fl. Council Conference Room – City Hall

-Minutes-

Present: Chair, Councilor Steven Curcuru; Vice Chair, Councilor Paul McGeary; Councilor Jacqueline Hardy

Absent: None.

Also present: Jack Vondras; Kenny Costa

The meeting as reconvened at 5:30 p.m., from the March 1, 2011 recessed meeting of Budget & Finance.

The following items were now being considered from the March 1, 2011 posted agenda:

4. Memo from Health Director re: reapplication process for a Drug Free Communities Support Grant

Jack Vondras, Health Director explained to the Council they had a grant titled “Drug Free Communities Support Program” (DFC); that they applied last year, didn’t get it and were “three points off”. They got “pink sheets,” which shows their scoring enabling them to reorganize their reapplication to place the City in a better position to obtain the grant funds. He noted the competition is higher as the economy is worse. They submitted for underage drinking and opiates last year. This reapplication of the grant is for youths 11-18 years of age. With this reapplication, they’ll apply for alcohol and marijuana. These age groups are not the opiate users in the City. They’re underage drinkers and marijuana users. Since the marijuana law changed to civil, the usage numbers have been rising. He noted the City has “made a turn the other way”, underage alcohol use is less; although usage is still higher than the State average. There is a 100% match required. The match of \$125,000 is dollar per dollar per year; but it is made up mostly of local volunteer residents, volunteer professionals from many local non-profits as well as School and City services (i.e., doctors, dentists, teens from the community based Youth Collaborative, community organizers, etc.). That is really the match; there is no match in dollars from the City at all. All volunteer hours are logged in and calculated to be used as match requirements. He reiterated there is no financial request to the City. They will hire one more staff person. They had a defunded position, the director of the Healthy Gloucester Collaborative when it was through HES; and they lost that funding. They starting out as a new grant (the City never actually had this particular grant). This is five years of money; \$125,000 in each of the five years; and they are eligible for another five years if they are successful.

Councilor Curcuru asked regarding the hiring of the new staff member if they get this grant, they would be eligible to work for five years, to which **Mr. Vondras** responded, “Yes”. The Councilor continued that along with the current staff Mr. Vondras has they would be supplemented with the existing grant.

Mr. Vondras responded, “Yes”. He would be using some of this money to pay for Joan Whitney (Director of Substance Abuse Prevention) and Jaimie Corliss (Principal Clerk) to make sure they have enough dollars. They can blend the grants.

Councilor Curcuru asked about staff being unemployed at the end of the grant.

Mr. Vondras explained that he has an indirect rate which is monies that are allowed for the City, unrestricted. This is 15.2% of the personnel budget, about \$10,000 a year every year, and can be used for anything, such as unemployment which he sets aside for that purpose. Last year with a large grant, they put \$20,000 to the City’s General Fund. There may be a time they need to draw in this set aside portion, and if that happens, they will draw on it. This grant has administrative overhead which he built in, making “sure the City is protected every time”. He reiterated to the Committee he has never come to the City during his tenure to “bail out” one of his grants.

Councilor McGeary asked if the indirect cost was a part of all federal grants.

Mr. Vondras responded most federal grants have the approved rate, and the rates are different. They don't have an approved federal rate yet. He has to work with Jeff Towne on that, but they can use the State rate of 15.2% of personnel.

Councilor McGeary inquired if they were paying a person, say, \$10,000 a year, Mr. Vondras could set aside \$1,500 as an indirect cost.

Mr. Vondras replied he could "totally". Further, those funds can be used any way they want. It is completely unrestricted dollars.

Councilor McGeary followed up that at the end of the year you see no one is going to leave they can put it back in.

Mr. Vondras responded they don't usually use that for programs; but he doesn't say that until they're $\frac{3}{4}$ through the year to be sure they'll cover everything. They have been covering all the benefits. They transfer money to all the benefit lines so "there is no hit to the City." They've been doing that since he's been here.

Councilor Curcuru stating City departments are aware of the unemployment issue now with grants, but wondered was the School Department aware of it.

Councilor Hardy stated the schools are supposed to follow the same thing; that if anyone is employed under a grant, their time cards when signed have an acknowledgement of that fact.

Councilor McGeary felt they should alert the School Department to this if they aren't aware of this contingency.

Councilor Hardy reiterated employees hired under grants when they sign their time cards should be acknowledging they're on a grant and that when the grant goes away that the job goes away.

On inquiry by **Councilor McGeary**, **Mr. Vondras** informed the Committee that the City, once the grant funding ends, the City is under no obligation to retain the employees funded by the grant.

Councilor Curcuru asked if there was a reason they don't hire them as a sub-contractor.

Mr. Vondras stated there was. The IRS has clamped down on that practice. If they hire people as contractors that should be employees, there are penalties. He added they can have a contractor claim unemployment if they have enough hours. There are eight "steps" which define an employee vs. a contractor (does the City provide them with a desk; a computer; do they work standard hours, etc). Those factors go into the determination. They have to make sure they have contingencies.

On inquiry by **Councilor Hardy**, **Mr. Vondras** explained that the \$125,000 is a yearly match. When he builds the budget he has to claim every dollar as he builds the budget. This is a \$250,000 grant because they're putting up \$125,000 in-kind. He noted volunteer hours comprise about 80% of the grant match; they have a huge structure in place for this to track volunteer hours.

Councilor Hardy asked difference between in-kind vs. soft match.

Mr. Vondras stated that is interchangeable. He then presented Mr. Costa with the grant paperwork which included the Mayor's signature for his files.

Mr. Costa acknowledged all paperwork was in order.

Mr. Vondras confirmed they have to renew this grant every year and will know by September of the award, and if awarded the grant starts September 30th.

MOTION: On motion by Councilor Hardy, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the full City Council to permit the Health Department to reapply for the Drug Free Communities Support Program for a total grant value of \$625,000 over a five year period.

5. Memo from Health Director re: Tobacco Control Mini-Grant

Mr. Vondras explained to the Committee that the Health Department is in receipt of a tobacco control mini-grant from the Massachusetts Health Officers Association for a total of \$1,080.00. These funds are to pay for their tobacco compliance officer to conduct retail inspections of all licensed tobacco vendors in Gloucester. They're known as compliance checks. There are no grant matching requirements for these

funds. All mini-grant activities must be completed by April 30, 2011. Next year they'll join a collaborative of 15 communities. The City will not be doing the fiscal oversight and will not have to apply for this grant again. They will be able to have their compliance checks and for education of the vendors done. They have trained individuals that look underage and are switched around and can withstand a court case. The fines go back into the City accounts.

Councilor Curcuru noted Boston has stopped all smoking in City parks and beaches and wondered if this was something the City should be looking into.

Mr. Vondras stated the new tobacco grants coming in are looking at it. He would be bringing that back to the Board of Health.

MOTION: On motion by Councilor Hardy, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the full City Council under M.G.L. Chapter 44, §53A to accept a tobacco control "mini-grant" from the Massachusetts Health Officers Association for a total of \$1,080.00.

A motion was made, seconded and voted unanimously to adjourn the meeting begun on March 1, 2011 and completed at this reconvened meeting of B&F at 5:45 p.m.

Respectfully submitted,

Dana C. Jorgensson
Clerk of Committees

DOCUMENTS/ITEMS SUBMITTED AT MEETING: None.