

Budget & Finance Committee
Thursday, January 9, 2020– 5:30 p.m.
1st Fl. Council Conference Room – City Hall
-Minutes-

Present: Chair, Councilor Melissa Cox; Vice Chair, Councilor Scott Memhard; Councilor John McCarthy
Absent: None.

Also Present: Kenny Costa; Jim Destino; John Dunn; Chief of Police, Edward Conley; Vanessa Krawczyk

The meeting was called to order at 5:30 p.m. Items #4, #5 and #6 were taken out of order.

1. Memorandum, Grant Application & Checklist from Police Chief re: application for FY20 MED-Project Grant in the amount of \$650

Chief of Police Edward Conley conveyed that his department is in receipt of a (private) grant which is a drug stewardship program for the management and disposal of unwanted household opioids and benzodiazepine medications. This supports the maintenance of the vault in the department's lobby for the public to deposit their unwanted or unused prescription drugs. **Chief Conley** noted he hadn't heard of this grant until after July 1st when **Councilor Cox** noted had the department applied before July 1st the dollar amount would have been \$1,300. He conveyed they have a vault, and this is the option they chose for the vault's maintenance.

COMMITTEE RECOMMENDATION: On a motion by Councilor Memhard, seconded by Councilor McCarthy, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council accept under MGL c. 44, §53A, a private grant through the FY2020 MED Project LLC and in partnership with the Commonwealth of Massachusetts approved MED-Project drug stewardship program in the amount of \$650 for the purpose of the management and disposal of unwanted household generated opioids and benzodiazepine medications, as regulated by the Massachusetts Department of Public Health. There's no local matching requirements for the private grant.

2. Memorandum from Police Chief re: request acceptance of a FY19 Bulletproof Vest Grant in the amount of \$12,716.86

Chief Conley explained that this is an annual grant the department receives from the U.S. Dept. of Justice which is passed through the state Office of Public Safety & Security in the amount of \$12,716.86 in total which will provide 13 new bulletproof vests for officers as the life of the vests do expire. This covers what the department needs this year, but there will be another grant in about six months, he advised (to purchase more vests). **Councilor Cox** touched on the fact that this was a federal grant with a state match for a grant total of \$12,716.86 but the application was for \$14,651. **Chief Conley** confirmed the type of vests needed are more ergonomic for officers which are more expensive, and conveyed that a small portion of the cost of these new vests will come out of the department budget as the grant doesn't cover the entire cost of the purchase. Old vests are turned back in, he added.

COMMITTEE RECOMMENDATION: On a motion by Councilor Memhard, seconded by Councilor McCarthy, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council accept under MGL c. 44, §53A a U.S. Dept. of Justice FY2019 Bullet Proof Vest Program Grant passed through the Massachusetts Executive Office of Public Safety & Security in the amount of \$12,716.86 with a grant expiration date of 08/31/2021 for the purpose of purchasing 13 ballistic vests for Gloucester Police Department officers.

3. Memorandum, Grant Application & Checklist from Police Chief re: request acceptance of a FY20 State 911 Training Grant in the amount of \$80,827.65

Chief Conley reviewed that the state has approved the Police Dept.'s annual FY20 State 911 Training Grant in the amount of \$80,827.65 to meet state training requirements for department dispatchers. Anyone eligible in the department to work dispatch will be able to take this training, a part of which is geared towards the ASHER incidents (Active Shooter and Hostile Event Response), specifically for dispatchers during such an incident, he

highlighted.

Councilor McCarthy noted that the state documentation indicated the state won't pay for backfills any longer which he indicated is new, and suggested that the Chief may want to take this up with Mass. Police Chiefs and the Essex County Police Chiefs Associations because this will affect the department's training budget. **Chief Conley** voiced his agreement noted that backfill isn't always necessary as some of this training is done on-line training, but the live training does require backfill. They rely on the Legislature to maintain this 911 grant in order for the department to maintain their dispatch to the levels it should be, he pointed out.

COMMITTEE RECOMMENDATION: On a motion by Councilor Memhard, seconded by Councilor McCarthy, 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 Executive Office of Public Safety and Security, a FY2020 State 911 Department Training Grant Program for \$80,827.65. The grant period of this grant is from November 22, 2019 through June 30, 2020.

4. Memorandum from the Public Health Director re: request acceptance of a \$250 donation from the Tower Foundation

Mr. Destino advised that the Health Department is in asking for the acceptance of a \$250 donation from the Tower Foundation stemming from the department's recent participation in a panel discussion on the progress of a three-year grant, "Moving Prevention Forward across the North Shore." He conveyed that the grant is currently in year three of three focusing on a regional approach of holistic primary prevention to address young people's needs and the linkage between substance abuse and mental health.

COMMITTEE RECOMMENDATION: On a motion by Councilor Memhard, second by Councilor McCarthy, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council under MGL c. 44, §53A, accept a cash donation of \$250 from The Peter and Elizabeth C. Tower Foundation to amend the Tower Foundation Healthy Communities Grant for a new grant total of \$110,250. This \$250 honorarium is for the purpose of supporting any needs that arise for the Gloucester Youth Leadership Council.

5. Memorandum from the City Auditor re: Notification of Free Cash Approval (For Information Only)

Kenny Costa, City Auditor, highlighted that the City of Gloucester's balance sheet was approved December 3, 2019 by the Department of Revenue (DOR) which certified the city's "Free Cash" for the General Fund as of July 1, 2019 and touched on his documentation (on file) expressing the General Fund and Enterprise Funds Free Cash. The total, he indicated, across all funds is slightly over \$4 million. He touched on a chart showing levels of free cash (on file) from 2010 to date as only reflecting General Fund totals.

FREE CASH AS OF JULY 1, 2019 AS APPROVED BY DOR:

General Fund:	\$2,647,061.00
Water Enterprise Fund	\$ 430,605.00
Sewer Enterprise Fund	\$ 789,883.00
Waterways Enterprise Fund	\$ 88,380.00
Talbot Rink Enterprise Fund	\$ 62,456.00

6. Supplemental Appropriation-Budgetary Requests 2020-SA-9, -10, -11 and -12 from the Treasurer/Collector

John Dunn, CFO, conveyed that before the Committee is the annual distribution of the General Fund Free Cash into the city's stabilization funds per city policy. Addressing the first Supplemental Appropriation, he pointed out that the city has continued to make a \$50,000 contribution to the Other Post-Employment Benefits (OPEB) Trust over the last several years. As this was a year where there was no Snow & Ice deficit to cover, he recommended that the city increase its OPEB contribution to \$250,000. Noting it isn't much considering the overall liability, it still places the city in good stead with the bond rating firms. He indicated the city won't be able to substantially reduce the OPEB liability until finishing fulfillment of the city's Pension Liability which has a deadline of 2034. Once the Pension Liability is fulfilled, he pointed out, the city will be able to move forward in fulfilling the OPEB Trust

obligation. Should the OPEB donation be approved for \$250,000, there will be about \$700,000 in the OPEB Trust. Once the Trust contribution is approved, \$2,397,061 in Free Cash will remain to be allocated according to the Capital Plan Funding and Free Cash Distribution Policy adopted by the City Council.

Responding to inquiries by **Councilor Cox**, **Mr. Dunn** advised he arrived at that number by determining where the city wanted to be at this time as to its total OPEB contribution. He suggested should they be able to make the same contribution next year, it puts the city's OPEB Trust funding at over \$1 million. He noted for the Councilor that the OPEB Liability is \$180,000,000. The first priority is the Pension Liability and then OPEB, **Mr. Dunn** and **Mr. Costa** confirmed, saying that the Pension Liability fulfillment is required under state law but not OPEB, at least not to date. The other Supplemental Appropriations before the Committee were noted to be put forward per policy – 40% going to the Capital Project Stabilization Fund; 20% to the Building Maintenance Stabilization Fund; 10% to the General Stabilization Fund. The remainder is to be used if needed during the course of the fiscal year. Citing that the city is half way through the fiscal year, **Mr. Dunn** indicated that the city is in good shape with revenues on track. **Mr. Dunn** added when they go through the financial statements in FY19 there is a significant increase in the General Fund's fund balance which as of June 30th was \$16 million. **Councilor Cox** asked for an account balance summary for the Council's information in advance of its January 14th meeting.

Councilor Cox asked if there are any potential issues with liabilities or insurances. **Mr. Dunn** advised the city's liability insurance has been paid. He conveyed credits are anticipated on the liability insurance as well, and may let that overage be used as credits for next year or ask for a check. There is nothing else, he indicated, that he viewed as looming but cited two remaining labor contracts settling, GMAA and Police Patrolman. There will be some overlay surplus released, he pointed out, which can be used for backfill. On the revenue side there are weather-related revenues as well but the city is on track, he reiterated..

Noting that the Fuller School revenues will go into a Stabilization account, **Councilor Cox** recounted a previous request for a list of vacant city-owned properties that are buildable and non-buildable, not just tax title properties and that list was to have been provided to the Council which she touched on with **Mr. Dunn** and **Mr. Destino** saying that to date no list had been received. **Mr. Dunn** asked that the Committee and/or the Councilor make that request in writing for specifics, so that they may respond appropriately.

Councilor Cox then reviewed briefly how much Free Cash was going into each of the Stabilization Funds.

COMMITTEE RECOMMENDATION: On a motion by Councilor Memhard, seconded by Councilor McCarthy, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2020-SA-9 in the amount of \$250,000.00 (Two Hundred Fifty Thousand Dollars) from the General Fund, Undesignated Fund Balance ("Free Cash"), Account #0001-359000 to the Other Post-Employment Benefit (OPEB) Trust Fund, Transfer in from General Fund, Account #84004-497001 to partially fund the City's OPEB unfunded liability.

COMMITTEE RECOMMENDATION: On a motion by Councilor Memhard, seconded by Councilor McCarthy, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2020-SA-10 in the amount of \$958,824 (Nine Hundred Fifty Eight Thousand Eight Hundred Twenty Four Dollars) from the General Fund, Undesignated Fund Balance ("Free Cash"), Account #0001-359000, to Capital Projects Stabilization Fund, Transfers from the General Fund, Account #760001-497001 per the Capital Plan Funding and Free Cash Distribution Policy.

COMMITTEE RECOMMENDATION: On a motion by Councilor Memhard, seconded by Councilor McCarthy, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2020-SA-11 in the amount of \$479,412 (Four Hundred Seventy Nine Thousand, Four Hundred Twelve Dollars) from the General Fund, Undesignated Fund Balance ("Free Cash"), Account #0001-359000 to the Building Maintenance Stabilization Fund, Transfers in from the General Fund, Account #770001-497001 per the Capital Plan Funding and Free Cash Distribution Policy.

COMMITTEE RECOMMENDATION: On a motion by Councilor Memhard, seconded by Councilor McCarthy, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2020-SA-12 in the amount of \$239,706 (Two Hundred Thirty Nine Thousand Seven Hundred Six Dollars) from the General Fund, Undesignated Fund Balance ("Free Cash"), Account #0001-359000 to the General Stabilization Fund-Transfers In from General Fund, Account #75004-497001 per the Capital Plan Funding and Free Cash Distribution Policy.

Councilor Cox asked Mr. Costa to briefly review his first City Auditor Reports (on file) of 2020 with **Mr. Dunn** providing additional commentary for the Committee.

A motion was made, seconded and voted unanimously to adjourn the meeting at 6:05 p.m.

Respectfully submitted,
Dana C. Jorgensson
Clerk of Committees

DOCUMENTS/ITEMS SUBMITTED AT MEETING: None.