

Budget & Finance Committee
Thursday, January 23, 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; John Dunn; Karin Carroll; Adam Curcuru and Vee Chipperini; Fire Chief Eric Smith; Assistant Fire Chief Joseph Aiello; Mike Hale; Nancy Papows; Lucia Sheehan; Sandy Williams and Lois Hamilton; James Pope; Vanessa Krawczyk

The meeting was called to order at 5:30 p.m.

1. Memorandum from the Archives Committee re: request acceptance of a donation in the amount of \$500

Sandy Williams and Lois Hamilton, Archives Committee, asked that this annual contribution to the Archives Department by the Daughters of the American Revolution for \$500 be accepted.

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 donation from the Cape Ann Chapter of the Daughters of the American Revolution in the amount of \$500.00 for the Archives Department for the purpose of funding the Archives Committee Donation Fund in Fund 3305.

2. Memorandum from Veterans Services Director re: request acceptance of donations in the amount of \$2,850

Adam Curcuru, Director of Veterans Services explained that this is another group of donations to the Cape Ann Veterans Services office to support their work with current and veteran members of the military services. Many of the donations are in memory of Catherine Tarr; an annual contribution of the Gloucester's WWII Committee, and the Cape Ann Thrift Shop.

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, cash donations from members of the Cape Ann community 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 \$2,850.00.

3. Memorandum, Grant Application & Checklist from the Council on Aging Director re: request approval of a FY20 State Formula Grant in the amount of \$88,848

Lucia Sheehan, Director of the Council on Aging, advised this is the annual state formula grant to support salaries of the Senior Center staff. The state has used the formula of \$12 per resident senior, Ms. Sheehan noted. Kenny Costa, City Auditor noted this is the same dollar amount as last year.

COMMITTEE RECOMMENDATION: On a motion by Councilor Memhard, seconded by Councilor McCarthy, the Budget & Finance Committee voted 3 favor, 0 opposed, to recommend that the City Council accept under MGL c. 44, §53A, a Massachusetts State FY2020 Council on Aging Formula Grant Allocation from the Mass. Executive Office of Elder Affairs for a total of \$88,848. There's no local matching requirements for the state grant and the grant period is from July 1, 2019 through June 30, 2020.

4. Memorandum from the Assistant Fire Chief re: request acceptance of a FY20 Washer-Extractor Grant in the amount of \$6,573.13

Assistant Fire Chief Joseph Aiello advised that the Fire Department is in receipt of a state Department of Fire Services FY20 grant for the purpose of cleaning firefighter equipment, explaining that the state realizes that cancer is a big problem among firefighters making the cleaning the equipment very important to their health. The city has

one washer-extractor at headquarters which can clean four to five sets at a time. The plan is to locate the new washer-extractor at the Bay View Station which can support the washer-extractor as it's not on a septic system, he noted. **Councilor McCarthy** confirmed there is no match for this grant.

MOTION: On a motion by Councilor Cox, second by Councilor Memhard, the City Council voted in favor, 0 opposed, to accept under MGL c. 44, §53A, a state FY 20 Washer-Extractor Grant from the Executive Office of Public Safety and Security, Department of Fire Services for \$6,573.13 for the purpose of purchasing a washer-extractor for cleaning firefighter equipment after exposure to smoke and other toxic chemicals. A national standard set by the National Fire Protection Association (NFPA) on the care and cleaning of structural firefighting gear delineates specific types of machines that should be used to effectively remove cancer-causing chemicals after each fire. All washer-extractors purchased with this grant will meet this standard, and enable personnel to wear clean gear each time they leave the fire station for an emergency.

5. *Supplemental Appropriation Budgetary Transfer Requests 2020-SA-13, -14 & -15 from the Treasurer/Collector*

John Dunn, CFO, explained that each year the Administration includes a transfer from the General Fund to a special fund to accumulate the dollars necessary to fund contracts for the required property revaluation process undertaken by the Assessors Department. That fund's current balance is \$130,000 and the Assessors are ready to begin the revaluation. He noted that this is a transfer made annually for the revaluation process. He added that for the last revaluation they transferred money from the fund to the General Fund. They're now keeping the expenditures in this fund.

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-13 in the amount of \$130,000.00 (One Hundred Thirty Thousand Dollars) from the Receipts Reserved for Appropriation, Assessors - Revaluation-Undesignated Fund Balance, Account #3210-359000 to Receipts Reserved for Appropriation, Assessors - Revaluation - Property Data Services, Account #32105-530016 to fund the city's Property Revaluation contracts.

NOTE: The Council will need a reconsideration of vote at its January 28th meeting for 2020-SA-13.

Mr. Dunn conveyed the following information: Originally the idea was to appropriate from Water and Sewer Enterprise Funds Free Cash to be used in part for the Public Works Department's meter replacement program to replace older meters and that over multiple years they'd get the entire city done. The concentration was initially on the larger commercial and industrial meters. As meters age they run slower and don't record accurately all the water going through the system to users which in turn causes the city to lose revenue. Public Works Director Mike Hale has an issue with this because he then has unaccounted water flowing through the system. They're getting this done at the residential level on a piecemeal basis. While there's always an option to do the meter replacements at once through contractors it's expensive and carries its own issues. This piecemeal method using trained staff is preferred. Coupled with that, on the water side, they've identified some issues at the West Gloucester Water Treatment Plant. They're in an evaluation process that may result in repairs of an unknown quality. The estimate is \$250,000 and there's a need to move forward quickly. As a result, the Administration would like to amend 2020-SA-14 to account for another \$250,000 in expenditures. The new total for the Supplemental Appropriation is \$400,000 from Water Enterprise Fund Free Cash which will now go into the Fun's Capital Outlay account. What is left from the evaluation and repair work will be used for the meter replacement program.

Mike Hale, Public Works Director, addressing the issue at the West Gloucester Water Treatment Plant explained as follows: There was small seismic activity in April 2019 and as a result stress cracking was observed block walls at the filtration plant. There are some closed components to the filtration plant that can't be exposed to cracks. The sedimentation basins where the raw water goes; where the finished water goes, those are all subsurface so they need to investigate because there can't be treated water interfacing with ground water. It was pointed out this isn't to suggest that is the case, but that it is a question of being mindful that they've seen something in the offices and they need to ensure there is no cracking below. Some investigation was started this summer, soon after the event, with more done this fall. **Mr. Hale** pointed out the next step is warranted. He noted that they started

doing three dimensional modeling at the plant today for very accurate measurements to help to build a baseline and then to come back soon thereafter to repeat the modeling to see if there's been any movement in any of the walls. He pointed out this is serious as the city can't solely rely on Babson as they have to be able to alternate season to season. Babson is utilized now and is anticipated to be utilized until May 2020 when they hope to switch to West Gloucester; time is of the essence, he added.

Addressing the residential meter replacement program at the behest of **Councilor Cox**, he explained the following: It was recollected that during the FY20 budget season, Mr. Hale's budget was tight in order to maintain a reasonable water rate, with the understanding that like FY19, he would come back mid-year for this ask. The average meter is +/- \$300, which they sell at cost; there is a meter horn that goes with a radio read so it comes to about \$500 per house to put a new system in. If it's just the meter and the RF it's about \$425. While they can't replace a lot of meters with \$300,000 with a \$400 meter cost. What they need to do is the radio read that is a little box on the outside of everyone's houses, very old technology, which only gives the department very basic measurements. They want to upgrade as it's the least invasive thing to do which they can do as they have the right to the properties to do it. They leave a door hanger, they replace it and leave. This is an easy replacement at about \$100 each. By letting their vendor know they'd be doing a fair amount of these types of replacements, when they bid on it they got \$17/each off due to the quantity. If they get those done they'll be able to more accurately read for small and big leaks. The idea is to get to a system where they can remotely read all meters in the city. With new technology the meter clerks can put it up on their computer. There are plans for obtaining this new technology in the city, he noted and described that briefly for the Committee. There are 13,000 water accounts, and meters read accurately for 10 years. He pointed out that the city's meters are mostly all 20 years old. This is a way to do the meter replacements without borrowing money. There's been no wholesale replacement of the meters since the 1990's, **Mr. Hale** pointed out.

Councilor McCarthy confirmed they'll replace the boxes outside of homes which is where they'll start and asked what it will cost. **Mr. Hale** reconfirmed the box is \$100 per unit. **Councilor McCarthy** pointed out that to replace all those boxes would be \$1.3 million and asked if they would anticipate doing them all. **Mr. Hale** advised that it is a multi-million project to do them all which is why they're undertaking this project as they are. He mentioned they've cross-trained almost the entire Utility Department so they do meters and the cross connection piece of it – backflow prevention, and so this is a good use of staff, especially in the winter to send three or four crews out covering entire neighborhoods.

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-14 in the amount of \$400,000.00 (Four Hundred Thousand Dollars) from the Water Enterprise Fund, Undesignated Fund Balance – Retained Earnings (“Free Cash”), Account #6000-359000 to Water Enterprise Fund, Water Capital Outlay, Account #600058-580000 to fund crack identification and repairs at the West Gloucester Water Treatment Plant with remaining funds will be used to purchase water meters and related equipment inventory for the city's water meter replacement program.

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-15 in the amount of \$150,000.00 (One Hundred Fifty Thousand Dollars) from the Sewer Enterprise Fund, Undesignated Fund Balance – Retained Earnings (“Free Cash”), Account #6400-359000 to Sewer Enterprise Fund, Water Meter and Parts, Account #640058-588501 to purchase water meters and related equipment inventory for the city's water meter replacement program.

6. *Special Budgetary Transfer Request 2020-SBT-7 from the Treasurer/Collector*

Mr. Dunn explained that they had discussed these items during the FY20 budget process in the spring, agreeing to revisit the requests at the half way point in the year to address these purchases within the Fire Department budget. Recognizing that while tight, the overall available department appears to be able to support these purchases. If something should happen that requires backfilling they'll have time to deal with this in May/June. Where they can they're trying to fund such expenditures within each department's budget.

- **15 month subscription for Fire personnel scheduling software at 5,600;**

Councilor Cox questioned a 15-month software subscription as a capital expense. **Mr. Dunn** advised this is a minor part of the purchase; it won't make much of a difference, combining it into this request.

- **Funding for the 1st year of a 3-yr. lease for a pick-up and SUV plus fit-out at \$40,000:**

The pick-up truck will replace the aging Explorer, **Chief Smith** advised, and will now be used by the Fire Inspector; the Tahoe will replace the Chief's vehicle, which will go to the Assistant Fire Chief, and in turn his vehicle will become a spare command vehicle. They are down two vehicles based on inspections and are in need of the vehicles. The in-vehicle devices are for the entire front-line fleet.

Councilor McCarthy confirmed the two vehicles are leased -- \$40,000 is the first year lease and the fit out of the vehicles, **Chief Smith** advised.

- **Purchase of 13 Toughpads plus mounting and mounting hardware at \$105,000:**

Chief Smith advised these Toughpads are for the whole front-line fleet. Because they can't update to Windows 10, they must be replaced. Moving forward they will be in good shape for a few years. They would like to see a third done every year, but it wouldn't be prudent in this instance. In five years they'll maybe cycle new ones. **James Pope**, IT Director, pointed out these are in-vehicle devices which are a ruggedized laptop which comes with an attached screen. This fleet is between six and eight years old and won't update to Windows 10, support for which ended in January and pose certain security risks, and they need to be replaced. While it is preferred to stagger such purchases, and this equipment will reach its end of life simultaneously, they'll be cycling new equipment in five to six years. He then discussed some of the technical matters about the software briefly.

Councilor McCarthy asked if the department must have Toughpads versus other less expensive hardware such as tablets. **Chief Smith** advised that tablets aren't best as firefighters/paramedics take them out of the vehicle for every EMS call into a home, then into the hospital. Toughpads are hardened equipment and are a better fit for the use they make of these pieces of technology. **Mr. Pope**, added that the tablet relies on kickstands, where the Toughpads will work in any environment. They compared them, he added, and Toughpads are what the military buys, and they are comparable in price.

- **Purchase of 19 mobile radios and associated hardware at \$120,000**

Chief Smith noted if they do items like mobile radios they replace them all at once to ensure compatibility. He pointed out that they do get their money's worth out of the radios, given their shelf life. There are structural issues with the current radios between Police and Fire and other agencies. The new radios will be simple to update and will communicate between departments and other agencies and are digitally compatible. This type of radio replacement is starting to be done in Manchester and Rockport as well.

- **Funding from salaries account:**

Councilor Cox expressed concern that this funding is coming out of the salaries line item, resulting in a tight budget. She asked why this isn't coming out of the Capital Stabilization Fund. **Mr. Dunn** advised this was requested in the FY20 budget, and whenever possible they want to fit expenditures of a particular fiscal year in that year from the budget. Smaller departments wouldn't have that kind of underage, he pointed out. Police, Fire and DPW can sometimes do these kinds of purchases internally as they see how the year progresses. **Councilor Cox** asked why the money was available in the salaries account. **Chief Smith** conveyed it is lag money as they've not hired six new firefighters – six personnel is just under a million dollars. They're not understaffed, but there is overtime to fill gaps, and they're getting it done, he added. He discussed several reasons why the department isn't able yet to hire new firefighters, mostly due to issues with the Fire Academy. **Councilor Cox** expressed concern for the overtime with four months to budget talks where there would be the same set of questions at that time.

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 Special Budgetary Transfer 2020-SBT-7 in the amount of \$270,600 from Fire, Salaries, Account #0122051-511000 to Fire, Capital Outlay-Equipment, Account #0122058-585000, for the purpose of funding the purchase of the following capital items totaling \$270,600:

- 15 month subscription for Fire personnel scheduling software at 5,600;
- Funding for the 1st year of a 3-yr. lease for a pick-up and SUV plus fit-out at \$40,000;
- Purchase of 13 Toughpads plus mounting and mounting hardware at \$105,000.
- Purchase of 19 mobile radios and associated hardware at \$120,000.

7. *Memo from City Auditor regarding accounts having expenditures which exceed their authorization & Auditor's Report and other related business*

Mr. Costa reviewed his reports with the Committee, with added commentary by **Mr. Dunn**.

A motion was made, seconded and voted unanimously to adjourn the meeting at 6:20 p.m.

Respectfully submitted,

Dana C. Jorgensson

Clerk of Committees

DOCUMENTS/ITEMS SUBMITTED AT MEETING: None.