

**Budget & Finance Committee Meeting**  
Thursday, May 7, 2020  
**REMOTE PARTICIPATION**  
**-Minutes-**

**Present: Chair, Councilor Melissa Cox, Vice Chair, Councilor Scott Memhard, Councilor John McCarthy**

**Absent: None**

**Also Present: John Dunn, Joanne M. Senos, Kenny Costa, James Pope, Mayor Sefatia Romeo Theken, Vanessa Krawczyk, Jill Cahill, Jaimie Corliss, Mike Hale**

**The Budget & Finance Committee participated by remote participation and all votes by the Committee by virtue of the remote participation are by roll call.**

**Councilor Cox:** Called the meeting of the Budget & Finance Committee for Thursday, May 7, 2020 to order at 5:30 p.m. Items were taken out of order

1. Memorandum from City Auditor re: request to pay a prior year invoice with FY20 funds

**City Auditor, Kenny Costa,** explained that he ordered two chairs late June in 2018 from W.B. Mason. He returned one chair, never received an invoice, inadvertently forgot about the other chair, and the purchase order was accidentally closed. The vendor sent an invoice in January of this year, and he is requesting permission to pay this invoice with FY20 funds.

**COMMITTEE RECOMMENDATION: On a motion by Councilor Cox, seconded by Councilor Memhard, the Budget & Finance Committee voted by ROLL CALL 3 in favor, 0 opposed, to recommend that the City Council in accordance with MGL c. 44, §64 approve payment of a prior year invoice from W.B. Mason, Invoice #157151736, to be paid with FY2020 Auditor's Office General Fund Department budgeted funds for a total of \$271.57.**

2. Special Budgetary Transfer Request (#2020-SBT-14) from the Health Department

**CFO, John Dunn,** explained that a previous appropriation ended up in the wrong account, and now they have to move it. There some misunderstanding as to exactly how the additional nursing staff was going to be hired. Rather than bringing them on as part time staff, they are being brought on as contract employees.

**COMMITTEE RECOMMENDATION: On a motion by Councilor Cox, seconded by Councilor Memhard, the Budget & Finance Committee voted by ROLL CALL 3 in favor, 0 opposed, to recommend that the City Council approve Special Budgetary Transfer Request (#2020-SBT-14) in the amount of \$11,000 (Eleven Thousand Dollars) from Account #0151051-511300, Health Dept. Wages-Hourly Permanent (Part-Time) to Account #0151052-530001, Medical and Dental Services, to cover COVID-19 related expenses for contract of services for two nurses.**

e

3. Supplemental Appropriation-Budgetary Request (#2020-SA-32) from the DPW

**DPW Director, Michael Hale,** explained he is requesting \$40,057 from the Highway Force account be transferred to an operating account, Public Works. These funds will be utilized for spring roadside clearing, vegetation and some minor paving work.

**COMMITTEE RECOMMENDATION: On a motion by Councilor Cox, seconded by Councilor Memhard, the Budget & Finance Committee voted by ROLL CALL 3 in favor, 0 opposed, to recommend that the City**

**Council approve Supplemental Appropriation-Budgetary Request (#2020-SA-32) in the amount of \$40,000 (Forty Thousand Dollars) from Account #32085-59600, Highway Force to Account #0147052-520000, DPW Public Services Purchase of Services, for the purpose of roadside maintenance, vegetation and paving.**

4. Memorandum from Community Development Director re: request approval of up to \$100,000 for a CPC off-cycle funding request for Action Inc.

**Community Preservation Committee Co- Chair, Catherine Schlichte**, explained to the Committee that Action, Inc. submitted an application for \$75,000 in funding for rental assistance. The Committee voted by a majority vote to actually increase the funding to \$100,000 because they felt that there was a great and urgent need. This recommendation from the CPC for \$100,000 to Action, Inc. is for their rental and mortgage assistance program, which they have a long record of administering these said funds. They have a vetting program in place where they interview their clients, give them support, and assistance for the duration of their tenancy assistance. The CPC is recommending \$100,000 for them in this off cycle and this would very much help them in these times. Council Cox asked what CPC fund the money is coming from. **Ms. Schlichte** replied while there is still money in the housing category, it can come from the affordable housing fund. The City Auditor confirmed that the funds will be coming out of the Community Housing Reserve. **Councilor Cox** said that in the past, Action, Inc., has received money from the same category and that they have done well with administering the funds. This is why the City is partnering with you again, especially with the need out there right now that is huge for this type of funding. **Councilor Cox** asked Jennifer Beloff, representing Action, Inc., to give a brief overview of how the program is administered. **Ms. Beloff** replied the tenants come in and they have to show that they've had COVID related difficulty, whether it's loss of income, loss of hours, medical, anything. They provide them with six months to twelve months of tenant base rental assistance where they started paying 40 percent of their income and they pay the remainder to the landlord directly. Then they work toward solely bringing their portion back up, their portion back down so that they're paying 100 percent while they're getting back on their feet. During this time, they also have to meet with an advocate and also work monthly on a budget. **Councilor Memhard** said that looking through the documentation, there was something about funding from the Tides Foundation that they rely on as part of this program as well, and asked for clarification on that. **Allison Lex**, 166 Shawsheen Road, Andover, representative of Action, Inc. replied that they regularly receive those additional funds from the Tide Foundation. These funds are more flexible so they can be used for people who do not necessarily have something COVID related that's causing their situation. They also can be used for other costs, like one time cost to move into a new apartment. They typically tend to actually use those funds primarily for like security deposits and one time assistance for people. They will continue using those funds at the same time. When someone comes to them with a need that fits more for that line of funding will direct them that way instead. **Councilor McCarthy** asked Ms. Lex to confirm that The Tide Foundation and the other funds could be used for anyone else that may have been in need, and the CPC money is earmarked for people that are affected by COVID. **Ms. Lex** replied that, even though primarily they are seeing people right now for having difficulties due to COVID, they are still seeing the occasional person coming to them who has some completely different medical related issue that caused them to be unemployed for a while or the landlord is selling the house that their apartment is in and they need to move. **Community Development Director, Jill Cahill**, said she just wanted to let this committee know since they have been talking about the CDBG funds and the CPC funds, where all the funds this committee has been approving are going. They specifically strategically looked to CPC to fund this housing rental and mortgage assistance program. Funding that with CDBG funds would have been difficult because it's not in their cooperative plan. She thanked the CPC for working with them on this and having the two working together, they were able to fund rental and mortgage assistance, business assistance and their public services assistance programs. Ms. Cahill thanked this committee for working with them so they can reach out and help the people in need right now. Councilor Cox said that the only other matter for this committee that she would like to discuss is that

she is not a big fan of doing off-cycle matters unless it an emergency. This she considers is something that they don't want to pass up doing and supporting. That being said, there is no legal requirement to hold a public hearing which has been our standard operating practice with CPC funds because it is public money. She conveyed to the committee that this is a city council protocol and not so much a legal requirement to have a public hearing and would like to waive the public hearing so that they can get this money out to the people that need it. **Councilor Memhard** concurred and said that it's clearly in the public's interest under the circumstances. **Councilor McCarthy** said he was in favor of anything they could do to streamline the process and get these funds quicker to Action. **Councilor Cox** told the Committee that she wanted to make it perfectly clear that they standard operating practice has been to hold a public hearing. She was not opposed to doing that in this instance, but it will take at least another three to four weeks before they can properly notice. Since there is no legal requirement to hold a public hearing for these funds to be spent, again she was just reiterating that she was asking for your support to waive the public hearing. There was some discussion earlier today that they should abide by past operating practices. But at this time, she thought it was unprecedented what they have to do with this off cycle funding. If we find it important enough to do an off cycle funding, she found it important enough to move forward without the public hearing. **Councilor Memhard** commented particularly where it is coming from the housing reserve and it is an appropriate usage of the resources at this time. **Councilor Cox** asked the City Auditor to comment on this process. **City Auditor Kenny Costa** replied that in the past they have always had a public hearing, but with this pandemic, there is a lot of people out there with need. Right now there is \$290,000 in the rehousing reserve. It is a great asked to the city, and he concurred that this is great thing to help city resident in any way they can. **Councilor Cox** reiterated that there is no legal requirement, it is a courtesy and a proper thing to do with public money. In this case the need outweighs the normal course of action and thank the Councilors for their support.

**COMMITTEE RECOMMENDATION: On a motion by Councilor Cox, seconded by Councilor Memhard, the Budget & Finance Committee voted by ROLL CALL 3 in favor, 0 opposed, to recommend that the City Council appropriate up to \$100,000 (One Hundred Thousand Dollars) from the Community Preservation Act Funds as recommended by the Community Preservation Committee, to provide off-cycle funding for the purpose of the Action, Inc. Tenant Based Rental/Mortgage Assistance Program. The appropriation will be allocated to the Community Housing category and be funded by up to \$100,000 from the Community Housing Reserve Fund #4530. The project will be tracked in the Community Preservation Fund – Community Housing Projects Fund #4904**

5. Memorandum from CFO re: requesting to consolidate and repurpose the remaining balances of fourteen completed General Fund capital project funds totaling \$65,735.26

**CFO, John Dunn**, explained that they occasionally look at old capital project funds where the fund or the project is essentially finished. There may be some additional dollars that remain in the fund. Also on occasion, there is a fund where they end up with a deficit. They have gone through all 14 funds in the in the general fund category. Two of them were actually in the deficit. The total of the funds that had positive balances was \$65,725.26. They going to allocate \$911 to a deficit in fund 5039, \$16,335.36 to a deficit in fund 5032 and the balance of about \$48,500 will go into a new fund they will use for whatever may be appropriate for a general fund expenditure.

**COMMITTEE RECOMMENDATION: On a motion by Councilor Cox, seconded by Councilor Memhard, the Budget & Finance Committee voted by ROLL CALL 3 in favor, 0 opposed to recommend that the City Council approve the consolidation and repurposing of fourteen completed General Fund capital project funds totaling \$65,735.26 as follows:**

Ordered: That in accordance with c. 44, § 20 of the General Laws, the \$2,023.32 unexpended balance of Fund # 5002 initially borrowed to pay the costs of City Hall Roof Repairs, the \$7,268.62 unexpended balance of Fund # 5003 initially borrowed to pay the costs of Parking Meters, the \$487.41 unexpended balance of Fund 5006 initially borrowed to pay the costs of the Landfill Closure, the \$16,283.41 unexpended balance of Fund # 5009 initially borrowed to pay the costs of the Assessors Geographical Information System, the \$1,088.25 unexpended balance of Fund # 5010 initially borrowed to pay the costs of the Newell Stadium Restrooms, the \$0.32 unexpended balance of Fund 5012 initially borrowed to pay the costs of CSO Surface Improvements, the \$3,766.00 unexpended balance of Fund # 5016 initially borrowed to pay the costs of CIP11 Fire Station Repairs, the \$166.20 unexpended balance of Fund # 5021 initially borrowed to pay the costs of Nate Ross Filed Improvements, the \$20,847.03 unexpended balance of Fund 5023 initially borrowed to pay the costs of CIP12 Departmental Equipment, the \$1,263.02 unexpended balance of Fund # 5030 initially borrowed to pay the costs of the CIP Lanes Cove Breakwater Repair Project, the \$4,500.00 unexpended balance of Fund # 5031 initially borrowed to pay the costs of CIP City Hall Renovations, the \$3,434.09 unexpended balance of Fund 5033 initially borrowed to pay the costs of CIP14 West Parish Construction, the \$792.00 unexpended balance of Fund # 5036 initially borrowed to pay the costs of CIP14 DPW Building & Yard Improvements and the \$3,815.59 unexpended balance of Fund 5037 initially borrowed to pay the costs of CIP14 Fire Station Improvements, which projects are complete and such amounts are no longer needed for the projects, are hereby appropriated by this Council to cover the \$911.00 deficit in Fund #5039 CIP15 MIS Tech & Building Improvements and the \$16,335.36 deficit in Fund # 5032 CIP Commercial Street Infrastructure Project with the balance of \$48, 488.90 to be transferred to a new General Fund Capital Project Fund to pay the costs of any legal project expenditure as defined by Massachusetts General Law Chapter 44 Sections 7 or 8, including the payment of any and all costs incidental and related thereto.

6. Memorandum from CFO re: requesting approval of a loan order in the amount of \$1,600,000 for security upgrades at Gloucester High School and O'Maley Innovation Middle School

**DPW Director, Michael Hale**, explained this loan order is for school security upgrades to the Gloucester High School campus and the O'Maley Middle School campus. Both schools were built long before school security was considered a thought, and modern day schools have significantly more security than their predecessors. They need to catch up and have engaged an architect, Dore & Whittier, to help guide them with this process. If this loan order is successfully moved to city council, it should be constructed in the summer 2021. **Councilor Cox** told Mr. Hale that due to the sensitive nature of the security involved, she didn't expect him to go into detail with questions about the school. She did trust that he had everything he needed to move forward from this Committee.

**COMMITTEE RECOMMENDATION: On a motion by Councilor Cox, seconded by Councilor Memhard, the Budget & Finance Committee voted by ROLL CALL 3 in favor, 0 opposed to recommend that the City Council approve the following loan authorization as follows:**

**Ordered: That the City of Gloucester appropriates One Million Six Hundred Thousand Dollars (\$1,600,000) to pay costs of Security upgrades at Gloucester High School and O'Maley Innovation Middle School 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, 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.**

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

**Mr. Costa** reviewed his report with the Committee.

A motion was made, second and by roll call voted to adjourn the meeting at 6:02 p.m.

**Respectfully submitted,**

**Joanne M. Senos**  
City Clerk