

**Special City Council Meeting
Tuesday, June 16, 2020 – 6:00 p.m.
REMOTE MEETING
-Minutes-**

Present: Council President LeBlanc; Council Vice President Gilman; Councilor Cox; Councilor Holmgren; Councilor McCarthy; Councilor Memhard; Councilor Nolan; Councilor O’Hara; Councilor Pett

Absent: None.

Also Present: Mayor Sefatia Romeo Theken; Joanne M. Senos; Vanessa Krawczyk; John Dunn; Kenny Costa; Nancy Papows; Police Chief Ed Conley; Fire Chief Eric Smith; Mike Hale; Jill Cahill

*This meeting was conducted remotely via ZOOM
All votes were ROLL CALL*

Meeting called to order at 6:00 p.m.

Councilor Gilman announced, “Consistent with the governor's order suspending certain provisions of the open meeting law banning gatherings of more than 10 people, this meeting will be conducted by remote participation to the greatest extent possible. The public may not physically attend this meeting, but every effort will be made to allow the public view and listen to the meeting in real time. Persons who wish to do so are invited to view the meeting. The numbers are posted on the agenda.

CONSENT AGENDA

ACTION

• APPROVAL OF MINUTES FROM PREVIOUS COUNCIL AND STANDING COMMITTEE MEETINGS

1. FY21 Budget Review Meetings: B&F 5/20/2020, 5/27/2020, 6/2/2020 (minutes can be viewed under PH2020-018) **(Approve/File)**

Items to be pulled from the consent agenda:

- May 20, 2020 FY21 Budget Review minutes to add **Councilor Holmgren** as an attendee
- May 27, 2020 FY21 Budget Review minutes to add **Councilor Gilman** as an attendee

On a motion by **Councilor Cox**, seconded by **Councilor Memhard**, the City Council voted by ROLL CALL 8 in favor, 0 opposed, 1 absent to accept the Consent Agenda as amended.

Councilor LeBlanc entered the meeting at 6:05 p.m.

SCHEDULED PUBLIC HEARINGS

**1.PH2020-018: Public Hearing on FY21 Proposed Budget (FY21 Mayor’s Recommended Budget
<https://www.gloucester-ma.gov/DocumentCenter/View/67472021-Budget-Document-1>)**

Public Hearing Opened: 6:05 p.m.

Those Speaking in Favor:

Vanessa Krawczyk, Interim CAO, read the following statement, “On behalf of Mayor Romeo Theken, I'm here to support and recommend the adoption of the FY21 proposed budget for the city of Gloucester. This budget reflects a responsible spending plan for our community, a modest three percent increase from the FY20 budget that continues to provide critical services to our residents by investing in education, municipal infrastructure and public works and public safety. The FY21 budget is balanced and meets all of the city's contractual and other obligations and is built on conservative revenue projections. As you know, the budget

before you comes at a time of economic disruption and uncertainty brought on by the coronavirus pandemic. Additionally, the state has not yet released the 2021 budget proposal, so Gloucester doesn't yet know for sure how much local aid the state will provide. Many communities have not yet presented FY21 budget proposals for consideration. Gloucester has, and in many ways that puts us at an advantage over some of our neighbors. We have a strong track record of responsible fiscal management that has resulted in the growth of significant reserves, which will allow us to effectively manage the city through this economic emergency. Gloucester has seen consistent revenue growth from a variety of sources over the past several years. Our strong financial foundation will allow us to weather this storm. We will continue to spend wisely to maintain resources and fund core operations to meet the needs of this community and to ensure the effective delivery of services. As discussed in our budget meetings, if necessary, we will come before you to make midyear adjustments. I'd like to take a minute to thank the B&F Standing Committee for their thoughtful review, consideration and discussion during budget review meetings. And also, I'd like to thank John Dunn for his work on preparing this proposal and also for the work that lies ahead in managing it in FY21. Thank you."

John Dunn, CFO thanked the Council and the B&F Committee for their work in the budget process and asked for their support of the FY21 budget. He gave the following budget highlights:

- The budget is balanced;
- The budget increased from the FY20 accepted budget of \$114.3 million to \$117.9 million in the general fund, an increase of 3.08%;
- The city expects to be over budget on the revenue side and under budget on the expenditure side. On the revenue side, conservative projections for the last 5 years have resulted in consistent positive variances to budget. On the expenditure side, a mild winter resulted in a surplus in the snow and ice department;
- The city has up to \$500,000 in COVID-19 related costs that have been charged or encumbered in the FY20 budget;
- The revenue side is a cause for concern – 80% of revenue is derived from property tax and excise tax. A cash flow lag is expected in those revenues but they are anticipated to be collectable;
- Departmental revenues are a concern, such as beach parking and stickers, hotel, motel and meals tax;
- The biggest concern is state aid, as it was built on the Governor's proposal which was issued in February, prior to COVID-19;
- The budget has been reduced from historical levels, but the city will have to address potential shortfalls in the revenue lines for general and departmental when the decision is made on state aid;
- The expenditure side has been budgeted for level service. Filling current staff vacancies on the city and school side will be delayed for the most part;
- Comments about delaying expenditure amounts from ordinary maintenance are annotated in the budget book;
- The Management Information Systems Department is an integral department and the city will continue to try to fund that with software and hardware needed to during this pandemic;
- Increases in the police budget are attributable to the full annual funding of the Assistant Chief;
- The Fire Department budget has a modest increase due to capital needs; the labor contract expired June 30, 2019 so potential increases will have to be faced in the future;
- The Council on Aging has a large increase, but that has been funded in large part by the first year of Gloucester's agreement with the Town of Essex on the settlement of the sewer issue;
- The DPW has increased by about \$450,000; a lot of that is attributable to the annual increase in the curbside pickup of trash and recycling. There are also a number of positions that have been funded within facilities for custodians, but those positions will not be filled until the situation becomes clearer;
- Debt service has increased by a modest amount;

- The biggest increase in the general fund budget (it is also felt in water and sewer) is due to the pension assessment; the city is on an aggressive retirement of the pension liability that is increasing by 7%;
- Single line appropriation for the Gloucester Public Schools increased by \$1.25 million to \$44,388,897;
- We have an increase proposed in the Water Enterprise Fund to change the rate to \$8.98 per thousand square feet of usage. That is a 50 cent increase over the current rate. Likewise, we have an increase in the Sewer Enterprise Fund on usage at \$15.31 per thousand gallons of consumption as compared to the current rate of \$14.83.

Mayor Theken thanked the city's finance team and the Budget and Finance Committee for their work in preparing the FY21 budget. She said there is still uncertainty due to the state's budget, but she remains hopeful.

Those Speaking in Opposition: None.

Questions to the Council:

Emily Richey-Stavrand, 5 Norseman Avenue was given permission by Council President to ask questions about the Gloucester Police Department's budget:

Q.1. Ms. Richey-Stavrand asked for the total Gloucester Police Department Budget.

A. (Cox) asked that Ms. Richey-Stavrand follow up her questions with an email so that she could respond.

A. (Dunn) The total budget across all departments in the police, for FY21, is \$7,270,000.00.

Q.2. Ms. Richey-Stavrand asked what longevity is and why it was going up by 80%.

A. (Dunn) Longevity is a fixed amount that is negotiated within each bargaining unit's contract and it is tied to the number of years of service that have been delivered. Someone's longevity moves from a former department to the new department which can drive up the percentage.

Q.3. Ms. Richey-Stavrand asked about the admin staff salary increasing by 26.6% and whether that was because of the new Assistant Chief or whether other staff members are getting raises.

A. (Dunn) The Assistant Chief was only budgeted for 6 months in FY20 and is budgeted for 12 months in FY21. Other staff members may be getting a raise, they would have to be looked at individually.

Q.4. Ms. Richey-Stavrand asked about the salary of a named member of the Gloucester Police Department.

A. (Cox) You would need to file a public records request for that information. Personal matters such as that are not discussed during a public hearing.

Q.5. Ms. Richey-Stavrand then made an accusation against an employee of the City.

Communications:

Richard Hersey re: question about the 6% plus increase in the sewer budget.

Councilor Cox informed the Council that she responded to Mr. Percy by email and read her response into the record, "The water rate increase at 5.8 and the sewer increase is 3.2%. The increase is tied to our debt service, meaning that is equal to the amount that we invest in our services. Specifically, there was an increase to the contract to manage the wastewater treatment plants, and we do invest in our city as needed to provide services to the residents. There was no increase in staffing for the FY21 budget."

Councilor Cox informed the Council that the planning for, and creation of, the city's stabilization account is paying off during the current pandemic. She thanked the administration for their planning and the City Council for their cooperation in setting it up 3-4 years ago.

Public Hearing Closed: 6:39 p.m.

Members of the Council gave the following thanks and acknowledgements:

- **(Pett, LeBlanc, Holmgren)** Thanked the B&F Committee, John Dunn, Kenny Costa, Jim Destino, Vanessa Krawczyk and city management for their work in putting the FY21 budget together, and reminded all that the city's infrastructure needs to be maintained.
- **(LeBlanc, Holmgren)** Gave their support of the Police Department.
- **(Gilman)** Thanked the B&F Committee for their thorough review meetings; thanks to department managers. She also thanked the City Clerk and the Assistant City Clerk.

Chief of Police Conley went on the record to respond to the accusation made against a City employee and stated that there is zero evidence to support the accusation made by Ms. Richey-Stavrand.

A motion was made, seconded and voted by ROLL CALL 9 in favor, 0 opposed, to adjourn the City Council Meeting at 6:40 p.m.

Submitted by Grace E. Poirier, Assistant City Clerk