

Budget & Finance Standing Committee
Thursday, August 6, 2020 – 5:30 p.m.
REMOTE MEETING
-Minutes-

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

Also Present: Acting CAO, Vanessa Krawczyk; City Clerk, Joanne M. Senos, CFO, John Dunn; City Auditor, Kenny Costa; Assistant Assessor, Timothy Good; Police Chief Ed Conley

*This meeting was conducted remotely through ZOOM
All votes by ROLL CALL*

Meeting called to order at 5:30 p.m.

Councilor Cox announced, “This meeting is recorded by video and audio in accordance with state open meeting law. Consistent with the Governor's orders, suspending certain provisions of the open meeting law and banning gatherings of more than 10 people, this meeting will be conducted by remote participation. The public may not physically attend this meeting, but every effort will be made to allow the public to view and listen to the meeting in real time. Persons who wish to do so are invited to view the meeting and you have the information that was on the posting. If you are calling in on a phone, you can press *9 to request to speak. If you are watching on a computer or a device, there is a raised hand button that you can tap or press to request to speak. Please use either these options to be recognized to speak.”

1. Memorandum, Grant Application & Checklist from the Public Health Director re: request acceptance of Healthy Summer Youth Jobs Grant in the amount of \$2,692.80

Summary of Discussion: Amy Epstein, Gloucester Health Department Regional Prevention Director, shared with the committee that the Gloucester Youth Leadership Council has been bolstered over the past six months. Jeff Scola is the new Youth Development Coordinator. The youth have been participating in many projects throughout the city, including the Reopening Task Force and Superintendents Stakeholder Task Force, they are also active on committees, and are now almost finished with their mask wearing campaign. The Health Department was fortunate to be offered the youth jobs summer money to be able to pay them for their efforts.

COMMITTEE RECOMMENDATION: On 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 accept under MGL c. 44, §53A, a state grant from the Massachusetts Office of the Attorney General, a 2020 Healthy Summer Youth Jobs Grant Program for a total of \$2,692.80 for the purpose of providing additional healthy summer jobs to local youth. There is no local match for this grant.

2. Memorandum, Grant Application & Checklist from the Public Health Director re: request approval of a 5-year grant from Massachusetts Community Health and Healthy Aging Funds in the amount of \$343,631.20

Summary of Discussion: Jennifer Donnelly, Gloucester Health Department Cape Ann Mass in Motion Grant Coordinator, shared with the committee that they were awarded the Healthy Aging Grant for their work with low-income seniors on Cape Ann. The award they received is a five-year grant, providing continuous funding for coordination and evaluation work, in addition to transportation for the first two years. It is sub-awarded to other communities: Manchester, Essex, and Rockport. Over the past year that Cape Ann Seniors on the Go has been operating, the program has managed funding for Gloucester and Rockport through the Cape Ann Transportation

Authority. Essex gave their funding to Manchester, so The Manchester Council on Aging has provided transportation for the residents in both towns.

The grant itself is to provide transportation to increase access to food and physical activity, and they have been doing that by giving housing property residents the opportunity to take the bus for free. She wanted to let the public know that they have a robust schedule, and they are on the road this summer.

Councilor Cox asked Ms. Donnelly if the Farmer's Market is located near the housing properties, or if the seniors need to be transported there. Ms. Donnelly explained that last summer, the seniors were transported to the Stage Fort Park Cape Ann Farmer's Market. This year, since it has gone virtual due to COVID-19, and due to the technological barriers low-income seniors face (such as inability to access the technology itself or internet access, and not receiving the knowledge to use the technology) they have had to stop doing business with that organization temporarily, but are hoping to resume as soon as possible.

As a result, the seniors have been transported to Marshall's Farm Stand weekly since they are also a provider of SNAP and the Healthy Incentives Program. They are also being transported to the Fisherman's Wharf, where they love being able to purchase fresh seafood. The company offers a punch card to consumers that provides a 10% discount after the fifth visit.

COMMITTEE RECOMMENDATION: On 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 accept a state grant under MGL c. 44, §53A, a MA Healthy Aging Grant from the Massachusetts Community Health and Healthy Aging Funds ("The Funds") passed through the Massachusetts Department of Public Health (MDPH) and the fiscal agent is the Health Resources in Action (HRIA) for a total grant amount of \$343,631.20 over a five year period for the project of Cape Ann Seniors on the GO. The grant period is from July 1, 2020 through June 30, 2025 with no local matching funds. The grant award is detailed below for the grant period of July 1, 2020 - June 30, 2025.

Councilor Cox requested being able to waive the reading of the dates and the breakdown, and the City Auditor agreed. They are as follows:

Year 1: \$107,940.80 – July 1, 2020 – June 30, 2021
Year 2: \$107,940.80 – July 1, 2021 – June 30, 2022
Year 3: \$42,583.20 – July 1, 2022 – June 30, 2023
Year 4: \$42,583.20 – July 1, 2023 – June 30, 2024
Year 5: \$42,583.20 – July 1, 2024 – June 30, 2025

Ms. Donnelly added that the funder had asked that the news not be released to the public on social media until a press release is created within the next couple of weeks. **Councilor Cox** responded that the committee would let the administration take the lead on any press releases.

3. Memoranda from the Veterans' Services Director re: request acceptance of donations totaling \$403

Summary of Discussion: Adam Curcuru, Director of Veteran's Services, was not present at the meeting to accept the donations, so **Acting CAO Vanessa Krawczyk** spoke on his behalf. **Mrs. Krawczyk** stated that Veteran's Services does a great job in the community, and they get a lot of people who want to support the work they do. She requested that the Budget and Finance Committee accept the following donations with gratitude.

COMMITTEE RECOMMENDATION: On 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 accept various cash donations under MGL c. 44, §53A, to support Cape Ann Veterans Services in the amount of \$403 from the following members and business partners within our community:

H.A. & Diane Patrican	\$200.00
Linda and Edward Comeau	100.00
American Postal Workers Union	50.00
Dorothy Mulcahy	50.00
Stop & Shop Tag Giving Program	<u>3.00</u>
Total	\$403.00

4. Memorandum from Police Chief re: request acceptance of donations to the Community Impact Unit in the amount of \$5,000

Summary of Discussion: Police Chief Conley stated that this donation was made by benefactors listed in the memo he provided. It was the result of some recent publicity in and around the work that the Community Impact Unit has been doing, specifically with the School Resource Officer and SRO Gaming. The donations are intended to be used to expand the Police Department's ability to create awards, and to match some generous bike donations that Target will be providing.

COMMITTEE RECOMMENDATION: On 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 accept donations under MGL c. 44, §53A, to support the Gloucester Police Dept. Community Impact Unit in the amount of \$5,000 from the following members and business partners within our community:

Nocella Paving	\$3,000.00
Richard J. Caturano	1,000.00
Bank Gloucester	500.00
Harsheel Inc.	<u>500.00</u>
Total	\$5,000.00

5. Memorandum from Community Development Director re: request authorization to negotiate a TIF with Hefring Engineering

Summary of Discussion: Economic Development Director Sal DiStefano explained that he was joined by Commonwealth of MA Office of Business Development Northeast Regional Director Maria Nigro DiStefano, and also present at the meeting were several members of the TIF committee: City Auditor Kenny Costa, Assistant Assessor Timothy Good, Acting CAO Vanessa Krawczyk (representing the Mayor), and CFO John Dunn. The TIF committee was before the Building and Finance committee seeking permission to enter into a TIF negotiation with Hefring Engineering, LLC.

Mr. DiStefano explained that this company is currently operating under the name Nor-Tech in Boston, and they're considering moving into the building located at 417 Main Street where the Gloucester Marine Genomics Institute and LifeMine are located, so it would be filling out that building completely if this deal occurs.

Freda Zifteh, one of the partners in the venture, was present at the meeting. She shared a PowerPoint presentation and explained that the company creates tools to show what is beneath the ocean surface. The ocean glider that they are currently working on is a vehicle that swims and carries sensor payloads to observe the ocean. They are buoyancy-driven, and the company is aiming for up to a six-month

deployment of it. It is used to determine salinity, fish populations, listening for other vehicles that make sound underwater, weather prediction data, and fish stock assessments.

This year, though they are not yet in production, they have a full engineering team of eight people, and they have been awarded a Small Business Innovation Research Grant. The company is looking to relocate, and it is anticipated that it would expand to potentially 60 total employees over the next 5 years. She stated that they like having a partnership with the local fishing community because it saves them time and effort since the fishermen know the waters, and the gliders can be deployed and retrieved from fishing boats. They like the idea of being close to and sharing resources with their Boston offices, and Gloucester could fulfill all of the practical requirements for a strong office.

Councilor Memhard asked Ms. Zifteh how the space available at the Main Street location would work for the company since it offers about 4,000 square feet on the ground floor with access to the waterfront. She responded that it is the right size necessary for the development stage and engineering office, however, they would look to expand after the first year into more space to create a full production facility.

Councilor Memhard also asked Ms. Zifteh if GMGI or LifeMine are the types of clients Hefring Engineering would potentially have a direct relationship with. She responded that she has not spent a lot of time speaking with GMGI, however, depending on the type of organic matter or organisms they are looking for, there could potentially be a partnership.

Councilor McCarthy asked how the TIF would work since they are not purchasing the building. **Mr. DiStefano** responded that with a triple net lease, the state mandates that any savings from the TIF go to the job creator, not the landlord. He explained that he has been in discussions with one of the major brokers of the building, who told him it would not be a problem to write something into the lease to make sure the discount is passed on to them. **Councilor McCarthy** also stressed to Ms. Zifteh the economic importance of doing business with local fisherman instead of bringing in outside crews, and she replied that she understood.

Councilor Cox emphasized that Gloucester has a better cost of living than many of the other proposed locations throughout the country, and a wonderful quality of life.

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 permit the TIF Committee to negotiate the terms of the Tax Increment Financing (TIF) Agreement with Hefring Engineering and recommend the terms of the TIF Plan to the Budget & Finance Committee at a future meeting.

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

Summary of Discussion: **Acting CAO Vanessa Krawczyk** notified the committee that the city received word from Governor Baker that the legislature had committed to FY20 level funding for unrestricted general government aid and Chapter 70, so in light of everything, it is great news for the city budget. She confirmed with **CFO John Dunn** that it is only \$330,000 less than budgeted.

CFO Dunn stated that he is not overly concerned by the deficit, however, the city should have a clearer picture come mid-September, and he will be able to make recommendations at that point. One of the pending questions is what the city will receive for beach parking revenue this year. He explained that last year beach sticker and beach parking revenue earned the city \$200,000 more than expected. He expressed more concern about the other things that could potentially be affected, such as on the school side and how they will provide educational services to their students.

MOTION: on a motion by Councilor Memhard, seconded by Councilor McCarthy, the Budget and Finance Committee voted by ROLL CALL 3 in favor, 0 opposed to adjourn the meeting at 6:39 p.m.

Respectfully submitted,

**Brianna Komi
Administrative Support
City Clerk's Office**