

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

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

Also Present: Acting CAO, Vanessa Krawczyk; City Clerk, Joanne M. Senos; Police Chief, Ed Conley; Auditor, Kenny Costa; Community Development Director, Jill Cahill; CFO, John Dunn

Absent: None.

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

Meeting called to order at 5:31 p.m.

Chairperson 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 25 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 from the Veterans’ Services Director re: request acceptance of donations totaling \$350.00

Summary of Discussion: Acting Chief Administrative Officer Vanessa Krawczyk represented **Veterans’ Services Director Adam Curcuru**. She requested that the Budget & Finance Committee accept with gratitude the donations listed below made in support of veterans and active duty military members. All three committee members extended thanks to the donors.

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 accept various cash donations under MGL c. 44, §53A, to support Cape Ann Veterans Services in the amount of \$350 from the following members and business partners within our community:

Caroline Lee Herter	\$50.00
Linda & Edward Comeau	50.00
Lisa & James Doucette	<u>250.00</u>
Total	\$350.00

2. Memorandum from the Archives Committee re: request acceptance of donations totaling \$100.00

Summary of Discussion: The City Clerk spoke on behalf of the Archives Committee, and requested the acceptance of two \$50 donations. **Chairperson Cox** extended a round of applause for those donors as well.

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 accept various cash donations under MGL c. 44, §53A, to support the Archives Dept. in the amount of \$100 from the following donors:

Pollyann Statom	\$50.00
Karen M. Anderson	<u>50.00</u>
Total	\$100.00

3. Memorandum, Grant Application & Checklist from Police Chief requesting acceptance of the FY20 Bullet Proof Vest Grant in the amount of \$13,524

Summary of Discussion: Police Chief Ed Conley stated that this is the annual federal protective vest grant that the police department receives to replace expiring vests, and provide original ones to new officers. There is no match for this grant, and the timing of the grant is in off-cycle funding.

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 accept under MGL c. 44, §53A a U.S. Dept. of Justice FY2020 Bullet Proof Vest Program Grant passed through the Massachusetts Executive Office of Public Safety & Security in the amount of \$13,524.00 with a grant expiration date of 08/31/2022 for the purpose of purchasing 12 ballistic vests for Gloucester Police Department officers.

4. Memorandum from Community Development Director requesting acceptance of Round 3 CARES Act CDBG-CV funding in the amount of \$291,230

Summary of Discussion: Community Development Director Jill Cahill explained that this funding originated with the March 2020 CARES ACT. Gloucester was fortunate to have received money from Rounds 1 and 3. It is required to meet all of the normal CDBG guidelines as far as being beneficial to low to moderate-income recipients, and also must be directed at either prevention of or in response to the COVID-19 pandemic.

The first round was used to help support the Action, Inc. Shelter move to the YMCA building, and to move Open Door services outside. This ensured that both agencies met the increased community demands while social distance was maintained. Funds that remained also provided approximately 49 economic development grants in the amount of \$10,000 each. More grants should be possible with this third round, and the Community Development Department has also discussed with the administration addressing concerns of hourly employees who may be returning to work too soon after they are quarantined. As a result, support for the Action, Inc. Cape Ann Emergency Relief Fund may be also provided.

She shared that **Mayor Romeo Theken** feels deeply concerned about how the homeless will be assisted in the upcoming winter months, so that is being discussed as well. Additional rental and mortgage-based assistance and counseling may also be provided. This funding would need to be approved by the Budget & Finance Committee and the full City Council, and then the Community Development action plan would need to be amended before the money can begin to be spent retroactively. Research is currently being conducted to determine where the highest needs are located in the community.

She also mentioned that some regular CDBG public service funds are currently being distributed to support some of the organizations that have been hardest hit by this pandemic, including Pathways for Children School Age Program since they have provided online learning support programs in the afternoons. Healing Abuse Working for Change (HAWC) has also received additional funding in response to the recent increased incidences of domestic violence and need for quarantine shelters. The Gloucester Housing Authority has also received funding to help with foreclosure and mortgage assistance as well. **Ms. Cahill** expressed gratitude to the federal government for the funds, and hope that the committee would accept the grant request. She stated that she would be happy to answer questions about the current projects underway.

Chairperson Cox asked when normal CDBG funding is usually received. **Ms. Cahill** answered that while nothing is “normal” right now, what the CDBG referred to as Program Year 2020 is considered the City’s Fiscal Year 2021. Public services applications have been received, and the program typically would start in January, with a public information session held in February, and public hearing held in March. The Community Development Department is usually notified of the award approval in April, and then by May the total amount received is usually disclosed. Summer programs are then funded. An annual action plan is created, and this year, a five-year consolidated plan is required as well. The original deadline for the plans was May, however it has been extended until August 2021. Since Gloucester is part of a consortium with Haverhill, Salem, and Peabody, the plans for each city need to be submitted together. None of the funding can be spent until every city has submitted theirs, and the consortium was currently waiting for Peabody’s plan to be submitted within the next month or so.

The money for this year needs to be spent by January 2021, which is why Community Development has focused on offering public services funding to the non-profits mentioned above, since the grantees are well-known, have a solid reporting history, and have programs in great need of financial assistance. She noted that there are also other applicants in line to receive funding, including many great summer programs. She stated that she would be working with the agencies so they would not be required to submit a whole new application for next year’s funding. She mentioned that while there have been a lot of shifting variables, pandemic money offered a little bit more flexibility, and the department had attempted to plan as strategically as possible.

Councilor Memhard asked if the economic development grants were publicly announced or confidential. **Ms. Cahill** shared that a great article written in the Gloucester Daily Times had covered the details of those grants. She had provided the newspaper with a whole list of the businesses involved, however, she was not aware of whether they had all been mentioned in the article. She said that she would be happy to share the information with the Budget & Finance Committee. **Chairperson Cox** told **Ms. Cahill** that would be helpful.

Ms. Cahill shared the fact that the small business loan program and a microenterprise program was always offered by the Community Development department, and that was part of the funding for next year that they are waiting to begin spending, so additional funding for that would be available. She asked the committee to spread the word if they knew of any businesses who might be interested in applying. Before **Chairperson Cox** ended the discussion, she verified with **Ms. Cahill** that a Motion to Reconsider would not be necessary in this case since the money cannot be spent until all other conditions are met.

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 accept a federal grant under MGL c. 44, §53A, in the amount of \$291,230, a third round special allocation from the Community Development Block Grant from the U.S. Department of Housing and Urban Development for Program Year 2019/Fiscal Year 2020, this

allocation was authorized by the Coronavirus Aid, Relief and Economic Security Act (CARES Act) for CDBG-CV funding to aid in the preventions, preparation, and response to the COVID-19. The cumulative amount for all allocation rounds is \$697,049. There is no match or in-kind requirements.

5. Supplemental Appropriation Budgetary Request (#2021-SA-1) from the CFO

Summary of Discussion: Chief Financial Officer John Dunn stated that this matter was before the committee this evening so the budget that had been approved in the spring could be adjusted to where it has been determined that the budget will be in terms of current state aid and state assessments. Since legislature has not passed, and this year's state-level budget was subject to change, it was proposed that the budget be moved back to the best information that the City has obtained up to that point, which is that some revenue and assessments are expected to decrease. Gaps would be filled with stabilization funds, which would allow the rest of the budget to be maintained. He specifically mentioned that unfilled employee positions would need to remain unfilled for as long as possible for Auditor Kenny Costa to have an easier time when the tax recap is submitted to the MA Department of Revenue so that the revenue and expenditure lines can be matched to the current projections.

Chairperson Cox observed that most of the listed line items had been school related. **CFO Dunn** agreed that was going to be the biggest difference. He elaborated that while there is not a big change from year to year in Unrestricted General Government Aid (UGGA), state lottery money revenue provided to cities and towns, the big difference would come from where the Chapter 70 money would be originated from since even though a fair amount of work has been done to it over the past couple of years, it was currently in limbo. It was for this reason that the City budget must be adjusted in order to reflect that of the state.

When **Chairperson Cox** asked if the FY21 state aid assessment was a sheet that **CFO** had created and placed in the packet for this evening's meeting, he responded that he had received that information directly from the Department of Revenue, and that while it was the best information that City had at the moment, the information originally presented in the February 2020 Governor's budget and what the budget ultimately ended up being could be two different things. She thanked him for the handout since it made it easier to determine where the deficit would come from.

Councilor Memhard shared that he was pleased to have read a newspaper report that the City's beach revenue had not experienced quite the anticipated loss last summer according to preliminary accounting. **CFO Dunn** stated that while the newspaper had not quoted the exact figures he had provided, the City is in good shape, and he does not currently have any serious concerns. **Councilor Cox** mentioned that the \$258,000 balance after appropriation in the general stabilization fund is actually still very healthy considering the circumstances, and had also not been impacted as badly as originally expected. She thought that might actually apply more to next year than this year.

Councilor McCarthy repeated **Chairperson Cox's** statement about the majority of the budget items in question being those that pertained to schools. He asked if the prepayments would be adjusted to be allocated from the stabilization balance. **CFO Dunn** confirmed that was the case, and explained that when the task classification hearing is held and hopefully gets passed, **Mr. Costa** will submit the tax recap to the state, and then resident tax bills can be assessed. He mentioned that school choice is the biggest expenditure, and Chapter 70 funds are the biggest source of revenue. The numbers used by the City are done so in accordance with state calculations.

Chairperson Cox questioned whether the City would be able to make up the deficit six months or more after the recap was submitted, and whether **CFO Dunn** believed more aid would be received in these

departments. He responded that was a question he would be unable to answer until the state budget was passed.

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 2021-SA-1 in the amount of \$258,827.00 (Two Hundred Fifty Eight Thousand and Eight Hundred Twenty Seven Dollars) from Account #75005-596001, General Stabilization Fund, Transfers to General Fund to Account #00972972-497006, General Fund, Transfers from Trust Funds for the purpose of adjusting General Fund Budgeted Revenues to account for the overall net reduction to FY2021 State Aid and Assessments.

6. Memorandum from Principal Assessor re: FY21 Tax Classification

Summary of Discussion: Chairperson Cox encouraged anyone interested in receiving a tax classification refresher to contact the Assessor's Office, as they had been a valuable resource in the past. CFO Dunn shared that Principal Assessor Nancy Papows had reported in conversations over the past week that the first step passed without issues, and has advanced to the second step, which she felt should be approved soon.

This matter has been continued until Thursday, November 19, 2020.

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

Summary of Discussion: City Auditor Kenny Costa stated he had nothing to report this evening.

Chairperson Cox expressed appreciation for Council President LeBlanc having attended tonight's meeting.

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 6:02 p.m.

Respectfully submitted,
Brianna Komi
Administrative Support
City Clerk's Office