

**Budget & Finance Standing Committee**  
**Thursday, February 18, 2021 – 5:30 p.m.**  
**REMOTE MEETING**  
**-Minutes-**

**Present:** Chair, Councilor Melissa Cox; Councilor John McCarthy; Councilor Jamie O’Hara, alternate

**Also Present:** City Clerk, Joanne Senos; Councilor Val Gilman; Police Chief, Ed Conley; Assistant Public Health Director, Max Schenk; Assistant DPW Director, Mark Cole; CAO, Nicole Kieser; CFO, John Dunn; Auditor, Kenny Costa

**Absent:** Vice Chair, Councilor Scott Memhard

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

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

**Chairperson Cox** announced that this meeting is being 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 from City Auditor regarding the Massachusetts Dept. of Revenue notification of Free Cash approval (Info only)**

**Summary of Discussion:** Auditor, Kenny Costa informed the Committee that the City of Gloucester has had positive free cash for eleven years in a row.

**2. Supplemental Appropriation-Budgetary Request (#2021-SA-3) from the CFO**

**Summary of Discussion:** The CFO John Dunn explained that these were two appropriations from the General Stabilization Fund, one to fund the Firefighter’s contract for \$620,000 and the other basically to plug the differential in state-aid receipts from when the city originally put the budget together based on the Governor’s proposal until when it was finally approved.

**COMMITTEE RECOMMENDATION:** On a motion by Councilor Cox, seconded by Councilor McCarthy, the Budget & Finance Committee voted by ROLL CALL 2 in favor, 0 opposed, 1 absent (O’Hara) to recommend that the City Council approve Supplemental Appropriation 2021-SA-3 in the amount of \$878,827 (Eight Hundred Seventy Eight Thousand Eight Hundred Twenty Seven Dollars) from the General Fund, Undesignated Fund Balance (“Free Cash”), Account #0001-359000 to the General Stabilization Fund-Transfers In from General Fund, Account #75004-497001 per the Capital Plan Funding and Free Cash Distribution Policy.

### ***3. Supplemental Appropriation-Budgetary Request (#2021-SA-4) from the CFO***

**Summary of Discussion:** The CFO stated \$250,000 was appropriated from free cash to the Other Post-Employment Benefit (OPEB) Trust Fund; \$250,000 was done last year, with \$50,000 a year for a number of years. This was a huge hole in the city's financial statement, but this would give the city close to one million dollars in the OPEB Trust Fund, which was something that the credit rating agencies look very favorably to.

**COMMITTEE RECOMMENDATION:** On a motion by Councilor Cox, seconded by Councilor McCarthy, the Budget & Finance Committee voted by ROLL CALL 2 in favor, 0 opposed, 1 absent (O'Hara) to recommend that the City Council approve Supplemental Appropriation 2021-SA-4 in the amount of \$250,000 (Two Hundred Fifty Thousand Dollars) from the General Fund, Undesignated Fund Balance ("Free Cash"), Account #0001-359000 to the Other Post-Employment Benefit (OPEB) Trust Fund, Transfer in from General Fund, Account #84004-497001 to partially fund the City's OPEB unfunded liability.

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

**Summary of Discussion:** The CFO stated \$948,010 went to the Capital Projects Stabilization Fund, again, according to the distribution agreement in place to distribute at 40%, 20%, 10%, and leaving 30% in unreserved free cash.

**COMMITTEE RECOMMENDATION:** On a motion by Councilor Cox, seconded by Councilor McCarthy, the Budget & Finance Committee voted by ROLL CALL 2 in favor, 0 opposed, 1 absent (O'Hara) to recommend that the City Council approve Supplemental Appropriation 2021-SA-5 in the amount of \$948,010 (Nine Hundred Forty Eight Thousand Ten Dollars) from the General Fund, Undesignated Fund Balance ("Free Cash"), Account #0001-359000, to Capital Projects Stabilization Fund, Transfers from the General Fund, Account #760001-497001 per the Capital Plan Funding and Free Cash Distribution Policy.

### ***5. Supplemental Appropriation-Budgetary Request (#2021-SA-6) from the CFO***

**Summary of Discussion:** The CFO stated this was an appropriation of \$474,005 to the Building Maintenance Stabilization Fund.

**COMMITTEE RECOMMENDATION:** On a motion by Councilor Cox, seconded by Councilor McCarthy, the Budget & Finance Committee voted by ROLL CALL 2 in favor, 0 opposed, 1 absent (O'Hara) to recommend that the City Council approve Supplemental Appropriation 2021-SA-6 in the amount of \$474,005 (Four Hundred Seventy Four Thousand Five Dollars) from the General Fund, Undesignated Fund Balance ("Free Cash"), Account #0001-359000 to the Building Maintenance Stabilization Fund, Transfers in from the General Fund, Account #770001-497001 per the Capital Plan Funding and Free Cash Distribution Policy.

### ***6. Supplemental Appropriation-Budgetary Request (#2021-SA-7) from the CFO***

**Summary of Discussion:** The CFO stated \$237,002 was a transfer to the General Stabilization Fund. CFO confirmed with Councilor McCarthy that spending the remaining free cash would have to go to City Council as an appropriation order. A balance is left in free cash so that if something needs to be appropriated, it comes out of free cash and not a stabilization fund. Free cash is also used in the General Fund each year in case of departmental revenue shortfalls. He also confirmed for Councilor McCarthy that OPEB will be caught up in about ten years, unless the schedule is changed.

**COMMITTEE RECOMMENDATION:** On a motion by Councilor Cox, seconded by Councilor McCarthy, the Budget & Finance Committee voted by ROLL CALL 2 in favor, 0 opposed, 1 absent (O'Hara) to recommend that the City Council approve Supplemental Appropriation 2021-SA-7 in the amount of \$237,002 (Two Hundred Thirty Seven Thousand Two Dollars) from the General Fund, Undesignated Fund Balance ("Free Cash"), Account #0001-359000 to the General Stabilization Fund-Transfers In from General Fund, Account #75004-497001 per the Capital Plan Funding and Free Cash Distribution Policy.

The CFO stated that all of the above was per an agreement in how they distribute certified free cash on an annual basis.

**Councilor Jamie O'Hara joined the meeting at 5:39.**

**Councilor Val Gilman joined the meeting at 5:44.**

*7. Supplemental Appropriation-Budgetary Request (#2021-SA-8) from the CFO*

**Summary of Discussion:** CFO John Dunn explained that due to the pandemic there is a very long lead time in purchasing a new boat, so the city needs to fix the equipment it has on hand. Councilor McCarthy asked if there was any surplus funds from the dredging project that could be used for the purchasing of new equipment. The Auditor explained that at the moment it was unclear.

**COMMITTEE RECOMMENDATION:** On a motion by Councilor Cox, seconded by Councilor McCarthy, the Budget & Finance Committee voted by ROLL CALL 3 in favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2021-SA-8 in the amount of \$21,000 (Twenty One Thousand Dollars) from the Waterways Enterprise Fund, Undesignated Fund Balance – Retained Earnings, ("Free Cash") Account #7000-359000 to the Waterways Enterprise Fund, Capital Outlay - Equipment, Account #700058-585000 to purchase and install a new 250HP Outboard for the Harbormaster's Office.

*8. Memorandum from Police Chief requesting acceptance of a 2-year grant from the Essex County District Attorney's Office in the amount of \$50,000*

**Summary of Discussion:** Police Chief Ed Conley explained that the grant was a 2-year grant, (\$25,000 over two years) offered by District Attorney Jonathan Blodgett to the Mayor to get the "ALL STARS" program up and running in the City of Gloucester in cooperation with the School Department, as the District Attorney thought it would be a good fit for Gloucester. The funds would be used strictly for programming, not towards any staff overtime or salary.

Councilor McCarthy asked the Police Chief to thank the District Attorney on behalf of the City Council.

**COMMITTEE RECOMMENDATION:** On a motion by Councilor Cox, seconded by Councilor McCarthy, 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 Essex County District Attorney's Office in the amount of \$50,000 in collaboration with the Gloucester Public Schools and the Gloucester Police Department for the limited purpose of administering and supporting drug prevention and education to youth participating in the school-based prevention program called "ALL STARS". The grant period is from November 17, 2020 through November 16, 2022 and there's no local match for this grant.

**9. Memorandum, Grant Application & Checklist from the Public Health Director requesting acceptance of \$14,262.51 from the Metropolitan Area Planning Council to cover COVID-19 expenses**

**Summary of Discussion:** Assistant Public Health Director Max Schenk explained the purpose of the grant is to help support the City's efforts for COVID response. The grant can be used for things such as monitoring of travelers, data management, isolation and quarantine monitoring, surge staffing if needed, risk communication support, public health coordination with healthcare systems, vaccination efforts, as well as contract tracing efforts.

**Councilor Cox** stated that at some point it would be nice to know how much money has been received in grants that is COVID related and how the funds are being spent to backfill some of the city's staffing and efforts. **Councilor Cox** stated that the Public Health Department's efforts in seeking out these grants have been very much appreciated. **Mr. Schenk** agreed to provide the information via an Excel spreadsheet.

**Councilor Cox** also wished to acknowledge Carol Mondello's efforts with keeping expenses at a minimum for the vaccine clinics. **Councilor McCarthy** also wished to thank the Board of Health for their efforts.

**COMMITTEE RECOMMENDATION:** On a motion by Councilor Cox, seconded by Councilor McCarthy, 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 Metropolitan Area Planning Council (MAPC) on behalf of the Commonwealth of Massachusetts and the Department of Public Health, in the amount of \$14,262.51 for the purpose in responding to the COVID-19 outbreak to cover expenses incurred from January 1, 2021 to June 30, 2021. There is no local match for this grant.

**10. Special Budgetary Transfer Request (#2021-SBT-1) from the DPW Director**

**Summary of Discussion:** Assistant DPW Director Mark Cole explained that this was a transfer from the electricity account to recycling for an internal survey for the Dogtown compost site.

**Councilor Val Gilman** said this was "awesome" and thanked the DPW for the survey.

**Councilor Cox** asked **Mr. Cole** if he was seeing extra money in the electricity account. **Mr. Cole** explained that refunds for the streetlights have been received and that he was not sure when those refunds would end.

**COMMITTEE RECOMMENDATION:** On a motion by Councilor Cox, seconded by Councilor McCarthy, the Budget & Finance Committee voted by ROLL CALL 3 in favor, 0 opposed, to recommend that the City Council approve Special Budgetary Transfer Request 2021-SBT-1 in the amount of \$20,000 from the DPW- Facilities, Electricity, Account #0147252-521001 to the DPW-Solid Waste Disposal & Recycling, Purchase of Services, Account #0140352-520000 to fund a survey of the compost facility on Dogtown Road.

**11. Memorandum from Grants Administrator with the recommendations from the Community Preservation Committee for Round 11 FY20 Funds in the amount of \$513,623 for one-time projects :**

- a. Cape Ann Museum, Stabilization of the Babson-Alling House, \$125,000

- b. *City of Gloucester, Fitz Henry Lane House Roof Renovation/Replacement, \$120,000*
- c. *Ocean Alliance, Paint Factory Sea Wall Stabilization, \$68,623*
- d. *North Shore YMCA, 71 Middle Street, \$200,000* (Cont. from 2/4/21)

*Cape Ann Museum, Stabilization of the Babson-Alling House, \$125,000*

**Summary of Discussion:** Councilor Cox expressed that she and Councilor Memhard very much enjoyed the site visit to the Cape Ann Museum and would post pictures right after the meeting.

**COMMITTEE RECOMMENDATION:** On a motion by Councilor Cox, seconded by McCarthy, the Budget & Finance Committee voted by ROLL CALL 3 in favor, 0 opposed, to recommend that the City Council appropriate up to \$125,000 (One Hundred Twenty Five Thousand Dollars) from the Community Preservation Act Funds as recommended by the Community Preservation Committee, to the Cape Ann Museum for the purpose to preserve and rehabilitate the stabilization of the Babson-Alling House in order to restore an historic resource. The appropriation will be allocated to the Historic Preservation category and funded from Unrestricted Reserves in Fund #4500. The project will be tracked in the Community Preservation Fund – Historic Preservation Projects Fund #4745.

*City of Gloucester, Fitz Henry Lane House Roof Renovation/Replacement, \$120,000*

**Summary of Discussion:** None.

**COMMITTEE RECOMMENDATION:** On a motion by Councilor Cox, seconded by Councilor McCarthy, the Budget & Finance Committee voted by ROLL CALL 3 in favor, 0 opposed, to recommend that the City Council appropriate up to \$120,000 (One Hundred Twenty Thousand Dollars) from the Community Preservation Act Funds as recommended by the Community Preservation Committee, to the City of Gloucester, for the purpose to preserve and rehabilitate the Fitz Henry Lane House roof/replacement in order to restore an historic resource. The appropriation will be allocated to the Historic Preservation category and funded from Unrestricted Reserves in Fund #4500. The project will be tracked in the Community Preservation Fund – Historic Preservation Capital Projects Fund #5810.

*Ocean Alliance, Paint Factory Sea Wall Stabilization, \$68,623*

**Summary of Discussion:** Councilor Cox stated that the company she works for would not be doing any work in this award cycle for Ocean Alliance so she will not be recusing herself from this vote (as she had done in the past when her employer did work for Ocean Alliance).

**COMMITTEE RECOMMENDATION:** On a motion by Councilor Cox, seconded by Councilor McCarthy, the Budget & Finance Committee voted by ROLL CALL 3 in favor, 0 opposed, to recommend that the City Council appropriate up to \$68,623 (Sixty Eight Thousand Six Hundred Twenty Three Dollars) from the Community Preservation Act Funds as recommended by the Community Preservation Committee, to Ocean Alliance, for the purpose to preserve and rehabilitate the Ocean Alliance Paint Factory seawall stabilization project in order to restore an historic resource. The appropriation will be allocated to the Historic Preservation category and funded from Unrestricted Reserves in Fund #4500. The project will be tracked in the Community Preservation Fund – Historic Preservation Projects Fund #4746.

North Shore YMCA, 71 Middle Street, \$200,000

**Summary of Discussion:** Councilor Cox stated that she supports affordable housing as much as she can.

**COMMITTEE RECOMMENDATION:** On a motion by Councilor Cox, seconded by Councilor McCarthy, the Budget & Finance Committee voted by ROLL CALL 3 in favor, 0 opposed, to recommend that the City Council appropriate up to \$200,000 (Two Hundred Thousand Dollars) from the Community Preservation Act Funds as recommended by the Community Preservation Committee, to the North Shore YMCA for purpose of a new senior affordable housing development located at 71 Middle Street. The appropriation will be allocated to the Community Housing category and funded from the Community Housing Reserve Fund #4530. The project will be tracked in the Community Preservation Fund – Community Housing Projects Fund #4905.

Councilor McCarthy expressed his appreciation that all of these projects show dedication to the public and the public's use of these projects.

Councilor Cox stated that the above matters regarding one-time projects with recommendations from the Community Preservation Committee have been advertised for Public Hearing on March 9, 2021.

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

**Summary of Discussion:** Auditor Kenny Costa explained there were 18 accounts on the report, including 3 new accounts. Two were related to snow and ice, but stated there was still \$100,000 available in the snow and ice budget so the entire department was not in a deficit. The third account was a flood insurance account. Everything else on the Overdrawn Report is a repeat account.

Councilor McCarthy stated that the Board of Health salaries keep increasing and inquired if some of the funds that have been received are backfilling that. Mr. Costa stated that he would be working on that next week. A lot of expenses that have been charged to the General Fund need to be moved over to the grant. Each quarter, expenses from the General Fund are reclassified into the grant. Mr. Costa also stated that in regards to Councilor Cox's previous question on how much money has been received in grants that he has that information through September of 2020.

Councilor McCarthy then inquired about Inspectional Services which also had a jump of \$30,000. Mr. Costa explained that he had been working with Payroll and learned that there is a retirement of an inspector so the funds were still encumbered. There has since been a deencumberment of those funds, so it was actually \$4300 instead of \$32,000. There could be some funds within the salary account that could cover the \$4300.

Councilor Cox stated that the Budget and Finance Committee had asked for information regarding what the Legal Department was working on. She stated a response had been received from the Administration. She stated that the information would be shared with the full City Council.

Councilor Cox stated that she would like to know the status of the \$10K grants that were given out at the discretion of the Administration and Community Development. She then asked the CAO to reach out to the Community Development Director to find out the status of those grants. Councilor Cox stated that some people were awarded those grants, but didn't accept them due to Federal restrictions and technicalities. Councilor Cox requested to see the applications, who was awarded a grant, and

who accepted the grant. She also would like to know why a grant wasn't accepted and what was being done with the money that wasn't awarded or money refused at the last minute. **John Dunn** explained they were Economic Development grants, COVID related, and that all of that paperwork was at Community Development. **Councilor Cox** stated she would send an email to the **CAO** with what information she wanted. **Councilor Cox** stated she has the understanding that there was leftover money and would like to get that money out to the public if there is time and still a need.

**Councilor Cox** responded to a member of the public who asked if the motion for Fitz Hugh Lane was read out loud. **Councilor Cox** confirmed that she did indeed read the motion out loud.

**MOTION: On a motion by Councilor Cox, seconded by Councilor McCarthy, the Budget and Finance Committee voted by ROLL CALL 3 in favor, 0 opposed, to adjourn the meeting at 6:23 p.m.**

**Submitted by: Sherry Karvelas, Clerk of Committees**

**Documents submitted at the meeting: None.**