

Budget & Finance Standing Committee
Thursday, March 4, 2021 – 5:30 p.m.
REMOTE MEETING
-Minutes-

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

Also Present: Mayor Sefatia Romeo Theken; City Clerk, Joanne Senos; Fire Chief, Eric Smith; CAO, Nicole Kieser; Assistant to CAO, Chris Sicuranza; Community Development Director, Jill Cahill; Economic Development Director, Sal DiStefano; Harbormaster, TJ Ciaramitaro; Auditor, Kenny Costa; Treasurer, John Dunn; Assessor, Gary Johnstone; Grants Administrator, Jaimie Corliss

Applicants: CEO BC Gourmet, Daniele Diotallevi; CFO BC Gourmet, Alessandro Topan; Action Inc., Jen Beloff; Action, Inc., Allison Lex

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 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.

Matters were taken out of order.

1. *Memorandum from Fire Chief re: two FEMA Assistance to Firefighters Grant applications in the amounts of \$758,313.64 and \$106,836.36, with a 10% match from the city in the amount of approx. \$86,000*

Summary of Discussion: Councilor Cox informed the committee that this item was information only, per GCO Sec. 16-1, Grant Applications & Match requirements.

2. *Memorandum from Fire Chief requesting the acceptance of a FY21 S.A.F.E. grant in the amount of \$5,281 and a Senior S.A.F.E. grant in the amount of \$2,680*

Summary of Discussion: Fire Chief Eric Smith stated that due to the pandemic the work with the S.A.F.E. grant has been done remotely. He stated he was looking forward to next year so the work can be done in person in the schools, but the team was in a good spot if the work needs to be done remotely. He stated it was more difficult to connect with the seniors remotely, as it is not the optimal method for that population. Stated work has been done with the Gloucester Housing Authority and the Senior Center to come up with new ways to connect with the seniors.

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 FY2021 School-based Student Awareness of Fire Education (S.A.F.E.) grant from the Mass. Executive Office of Public Safety and Security, Department of Fire Services in the amount of \$5,281 for the purpose of providing fire and life safety education to school-aged children. There is no local match for this grant.

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 FY2021 Senior Awareness of Fire Education (S.A.F.E.) grant from the Mass. Executive Office of Public Safety and Security, Department of Fire Services in the amount of \$2,680 for the purpose of providing fire and life safety education to seniors. There is no local match for this grant.

3. Memorandum from Community Development Director requesting the acceptance of FY20/FY21 Community Development Block Grant fund allocation in the amount of \$689,749 and HOME fund allocation in the amount of \$100,887

Summary of Discussion: Community Development Director Jill Cahill stated some of the funds from the Community Development Block Grant fund (CDBG) will be used to address the pandemic, including economic development and some public services. Ms. Cahill stated her team, along with Grant Administrator Jaimie Corliss, have administered \$1.2 million in CDBG funds this year.

Councilor Cox asked what the application dates were. Ms. Cahill stated that anyone receiving current funding would have applied last January. Right now the nonprofits and public services would be applying for next year's funding and stated that there is not an application process yet but it would be released shortly.

Councilors Memhard, McCarthy and Cox thanked and congratulated Jill Cahill and all of her department's accomplishments.

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 the following two federal grants under MGL c. 44, §53A, Community Development Block Grant (CDBG) from the U.S. Department of Housing and Urban Development for Program Year 2020/Fiscal Year 2021 in the amount of \$689,749 and the HOME Grant from the North Shore HOME Consortium for Program Year 2020/Fiscal Year 2021 in the amount of \$100,887.

4. Memorandum from City Clerk, and #2021-SBT-2 in the amount of \$5,682.79

Summary of Discussion: City Clerk Joanne Senos stated this was a transfer to cover the deficit due to overtime expense because of the election law changes and mandates for the 2020 elections. The City Clerk stated the City received the Civic Tech Grant so were able to charge purchase of services to that grant, and transfer funds to the Registration Account to cover the deficit.

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 2021-SBT-2 in the amount of \$5,682.79 from the Registration – Purchase of Services, Account #0116352-520000 to the Registration – Overtime, Account #0116351-513000 for the purpose of covering the deficit for staff

overtime (per the AFCME B contract) incurred due to the COVID-19 election law changes and mandates for the 2020 elections.

5. Memorandum from Harbormaster requesting acceptance of the Clean Vessel Act Grant in the amount of \$11,000

Summary of Discussion: Harbormaster TJ Ciaramitaro stated this was an annual award of \$11,000 to operate and maintain the City's shore side pumpout facility and pumpout boat. This was a federal grant delegated through the State's Division of Marine Fisheries. He stated this grant was specifically for noncommercial use.

Councilor Cox asked if they provided the services in the fall and winter time as much as they do during the spring and summer. The Harbormaster stated summer, as he winterizes the boat and the shore side facility was shut down until around April.

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, a Federal Clean Vessel Act Pumpout Boat Grant for \$11,000 from the U.S. Department of the Interior passed through Massachusetts Division of Marine Fisheries for the purpose of servicing resident and transient boaters of the City for the disposal of sewage from vessel holding tanks, portable toilets and shore side pumpout facility. The grant period is from January 1, 2021 through December 31, 2021.

6. Memorandum from Harbormaster, and \$2021-SA-9 in the amount of \$28,943

Summary of Discussion: The Harbormaster stated this amount was the balance from retained earnings this year.

Councilor McCarthy asked the Harbormaster if the \$28,943 would be going into reserves. The Harbormaster stated by putting this money into a Waterways General Stabilization fund it saved the step of the Massachusetts Department of Revenue recertifying the 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 approve Supplemental Appropriation 2021-SA-9 in the amount of \$28,943 (Twenty Eight Thousand Nine Hundred Forty-Three Dollars) from Waterways Enterprise Fund, Undesignated Fund Balance-Retained Earnings ("Free Cash"), Account #7000-359000 to Waterways Enterprise, Stabilization Fund – Transfers In from Enterprise Fund, Account #71504-497005 for reserving said funds for future purposes of the Waterways Enterprise Fund.

7. Memorandum from Harbormaster, and #2021-SA-10 in the amount of \$20,000

Summary of Discussion: The Harbormaster stated this will be used to backfill temporary salaries. He stated last year the City was inundated with transient, recreational, day and rental boaters and jet-skiers, which sparked extra patrols. As requested by Administration, the Administration wanted as much visibility from the Harbormaster's office on patrol as possible. As a result of that, the temporary salaries account would be short. The retained earnings would backfill the account.

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 2021-SA-10 in the amount of \$20,000 (Twenty Thousand Dollars) from Waterways Enterprise Fund, Undesignated Fund Balance-Retained Earnings (“Free Cash”), Account #7000-359000 to Waterways Enterprise Fund, Salaries & Wages Temporary, Account #700051-512000 for the purpose of funding seasonal Harbormaster’s Department salaries and wages for unforeseen COVID patrols last summer.

8. Memorandum from Harbormaster, and #2021-SA-11 in the amount of \$5,000

Summary of Discussion: The Harbormaster stated this was for rescue and survival gear, float coats, Mustang survival suits, inflatable horseshoe collars and rescue throw line bags and heaving line bags for the boats.

COMMITTEE RECOMMENDATION: On a motion by Councilor Cox, seconded by Councilor Memhard, the Budget and Finance Committee voted by ROLL CALL 3 in favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2021-SA-11 in the amount of \$5,000 (Five Thousand Dollars) from Waterways Enterprise Fund, Undesignated Fund Balance-Retained Earnings (“Free Cash”), Account #7000-359000 to Waterways Enterprise Fund, Marine Supplies, Account #700052-548008 for the purpose of purchasing rescue and survival gear.

9. Memorandum from the Harbormaster, and #2021-SA-12 in the amount of \$8,100

Summary of Discussion: The Harbormaster stated the City through the Harbormaster’s office operates and maintains 28 transient moorings. He stated \$3,100 out of the \$8,100 would be for 8 new no wake buoys.

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 2021-SA-12 in the amount of \$8,100 (Eight Thousand One Hundred Dollars) from Waterways Enterprise Fund, Undesignated Fund Balance-Retained Earnings (“Free Cash”), Account #7000-359000 to Waterways Enterprise Fund, Repairs & Maintenance (R&M) - Boat and Marine Maintenance, Account #700052-524037 for the purpose purchasing 8 new no wake buoys and 6 new mooring balls and 12 new pick up buoys with chain.

10. Memorandum from Harbormaster re: proposed fee increase for transient mooring fees

Summary of Discussion: The Harbormaster stated the Waterways Board charged him with figuring out similar services to comparable ports throughout Massachusetts. He talked with a variety of harbormasters throughout different areas and polled their charges and services given. He proposed a fee of \$50 a night, up from \$40, which included a transient mooring for the night, shuttle ride, along with Wi-Fi and shower facilities provided at the new facility.

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 Amend GCO Chapter 10, Section 10-51 “Regulation of moorings,” subsection (e) as follows:

Fees. The fee for each type of mooring shall be established by the city council. Fees for personal moorings shall be charged by the length of vessel at the rate of \$8.00 per foot for city residents

and taxpayers and at the rate of \$10.00 per foot for nonresidents. The fee for transient moorings shall be \$200.00 each. A daily fee of ~~\$40.00~~ \$50.00 shall be charged every vessel that utilizes a municipal mooring used for transient boats, operated by the harbormaster. The daily rental fee for transient boats shall include the services of the Gloucester Launch during regular service hours. Fees for 10A float permits shall be in the amount of \$1.00 per square foot up to a maximum of \$400.00. Fees for the use of the Gloucester Launch shall be \$5.00 per person per one-way trip, with children 12 years of age or younger free. A season pass for permitted mooring holders within the boundaries of the Gloucester Harbor Launch with a limit of four people will cost \$100.00.

11. Memorandum from Community Development Director re: CPC Off Cycle recommendation for Action, Inc.

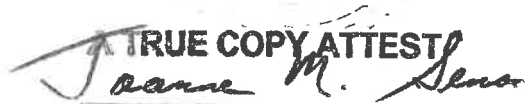
Summary of Discussion: Councilor Cox stated the public hearing had been waived for this matter last year to expedite releasing the funds as soon as possible; the Standing Committee agreed to waive the public hearing again this year. Community Preservation Committee member, Pam Tobey, stated the purpose of the funds were for administering a tenant-based rental and mortgage assistance program to Gloucester residents to help pay rents and mortgages due to loss of income caused by the COVID-19 pandemic.

Action Inc., Jen Beloff, stated this program has been extremely successful since the City was awarded the original amount, but stated that the program was still in dire need of assisting individuals in Gloucester specifically who needed rental assistance to maintain their current housing. Ms. Beloff stated that due to the moratorium being lifted for evictions, Action, Inc. is seeing more individuals being brought forward with evictions for nonpayment who haven't met the requirements of the CDC guidance for the moratorium. Action, Inc. stated they have been working with Housing Court and Action, Inc. employed a lawyer who was helping to mediate and keep people housed.

Action Inc, Allison Lex, stated 30 Gloucester households were served through the initial funds, but stated Action has been spending the funds much faster than anticipated. Ms. Beloff stated that individuals who do participate in the program, at the three-month mark those individuals must participate in a budgeting requirement where an advocate has to sit down with the applicant and review their budget. The advocate would also look at other public benefits that the applicant may qualify for but may not be accessing.

Councilor Cox stated the matter would be on the Consent Agenda at the City Council on March 9, 2021.

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 \$63,000 from the Community Housing Reserve Fund #4530 and \$37,000 from Unrestricted Reserves in Fund #4500. The project will be tracked in the Community Preservation Fund – Community Housing Projects Fund #4904.

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and taxpayers and at the rate of \$10.00 per foot for nonresidents. The fee for transient moorings shall be \$200.00 each. A daily fee of ~~\$40.00~~ \$50.00 shall be charged every vessel that utilizes a municipal mooring used for transient boats, operated by the harbormaster. The daily rental fee for transient boats shall include the services of the Gloucester Launch during regular service hours. Fees for 10A float permits shall be in the amount of \$1.00 per square foot up to a maximum of \$400.00. Fees for the use of the Gloucester Launch shall be \$5.00 per person per one-way trip, with children 12 years of age or younger free. A season pass for permitted mooring holders within the boundaries of the Gloucester Harbor Launch with a limit of four people will cost \$100.00.

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12. Memorandum from Community Development Director requesting authorization to negotiate a TIF with BC Gourmet USA

Summary of Discussion: Economic Development Director Sal DiStefano stated BC Gourmet was a pasta sauce and dip manufacturer who was looking to expand their operations from Lynn to Gloucester with a 25,000 sq. ft. space at 11 Parker Street, Gloucester. BC Gourmet, headquartered in Italy, would invest \$1.2 million into buildout and equipment with the creation of 25 jobs moving over from Lynn and creating an additional 8 full-time jobs over the next five years. The City was offering BC Gourmet a 5-year TIF, with a year one discount off the incremental increase in the property tax of 90% in year one, 80% in year two, 70% in year three, 60% in year four and 50% in year five. Also, because the City was aggressively pursuing them with the TIF, the State was considering EDIP tax incentives.

BC Gourmet CEO, Daniele Diotallevi stated BC Gourmet was an established Italian company in the high quality segment producing high quality pesto, pasta sauce, dips and fresh pasta. BC Gourmet established production operations in the US in Lynn, Massachusetts in 2017. In 2019, BC Gourmet acquired a company in New York and moved the operation to Lynn. BC Gourmet was also in the final stages of acquiring a company in Florida and planned to move the operations to Gloucester as well. The investment that BC Gourmet would be making was for renovation of the building and the purchase of machinery.

Assessor, Gary Johnstone explained the TIF was for five years, which would start FY23, with the base year of FY22, with the anticipation that work would start prior to next January 1. This would be a tax exemption of around \$14,167.13.

Councilors Memhard, McCarthy and Cox expressed their thanks for the hard work involved in bringing BC Gourmet to the City. **Councilor Cox** stated there would be a Special Public Hearing for this matter on Tuesday, March 16, 2021 at 6:00 p.m. **Mr. Diotallevi** thanked everyone involved in the process.

COMMITTEE RECOMMENDATION: On a motion by Councilor Cox, seconded by Councilor Memhard, the Budget & Finance Standing Committee voted by ROLL CALL 3 in favor, 0 opposed, to recommend that the City Council approve a Tax Increment Financing exemption between the City of Gloucester and BC Gourmet USA, Inc., in accordance with the Massachusetts Economic Development Incentive Program (EDIP) and Chapters 23A, 40 and 59 of the Massachusetts General Laws to be located at 11 Parker Street, for a term of five (5) years ending in Fiscal Year 2027.

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 the following:

- 1) Adopt the Tax Increment Financing (TIF) Agreement between the City of Gloucester and BC Gourmet USA, Inc., for property located at 11 Parker Street;
- 2) Approve the project application and find that it meets the requirements of MGL c. 23A, §3F in that it provides a reasonable opportunity to create jobs within the City of Gloucester as indicated in the TIF Agreement.
- 3) Authorize the Mayor to execute the TIF Agreement and submit the TIF Agreement and the Certified Project Application and all other necessary documents to the Economic Assistance Coordinating Council of the Commonwealth of Massachusetts (EACC), and take any other actions as necessary and appropriate to implement the provisions of those documents.

13. 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, stated there were 21 accounts that are overdrawn with the biggest change from the last report being snow and ice and the salt account. The overall deficit that the City has processed in snow and ice was \$76,000.

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 6:53 p.m.

Submitted by: Sherry Karvelas, Clerk of Committees

Documents submitted at the meeting: None.

Meeting Recording: https://gloucester-ma-gov.zoom.us/rec/share/g8ZbL5K5bQp3AcekeChC_Pm2UKVB4JgGfOWJDX2qMyZm3xTgv7_qkoQsA5-GpEOE.OuoF-_Oh3qhJ6-4E?startTime=1614897043000