

Budget & Finance Standing Committee
Thursday, May 20, 2021 – 5:30 p.m.
REMOTE MEETING
-Minutes-

Present: Chair, Councilor Melissa Cox; Councilor John McCarthy; Councilor Val Gilman

Absent: Vice Chair, Councilor Scott Memhard

Also Present: Auditor, Kenny Costa; Assistant to CAO, Chris Sicuranza; Police Lt. Jeremiah Nicaastro; Deputy Fire Chief/EMS Coordinator, Phil Harvey; Assistant DPW Director, Mark Cole; School CFO, Gary Frisch; Clerk of Committees, Sherry Karvelas

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 consistent with the Governor's orders suspending certain provisions of the Open Meeting Law and banning certain gatherings such that an in person meeting of the Budget & Finance is not possible, 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 and participate when necessary.

Matters were taken out of order.

1. Memorandum from Veterans Services Director re: requesting acceptance of donations in the amount of \$76.00

Summary of Discussion: Councilor Cox explained the \$1 donation from Stop & Shop was from a promotion that was run where if a reusable bag was purchased Stop & Shop donated 50¢ to Cape Ann Veterans Services.

The Auditor informed the Committee that year-to-date donations for Veterans Services was \$13,302 and since 2019 the amount collected for donations was \$29,308.50.

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 various cash donations under MGL c. 44, §53A, to support Cape Ann Veterans Services in the amount of \$76.00 from the following members and business partners within our community:

| | |
|-----------------------|--------------|
| Stop & Shop | \$ 1.00 |
| Linda & Edward Comeau | 50.00 |
| Gail Vicari | <u>25.00</u> |
| Total | \$76.00 |

2. Memorandum from School CFO, Special Budgetary Requests (#2021-SBT-6&7) totaling \$370,779.49 and a request to pay FY20 unemployment claims with FY21 funds

Summary of Discussion: School CFO, Gary Frisch stated the first item [#2021-SBT-6] for \$60,000 was an annual transfer from the School Department to the Police Department for a Gloucester High School Resource Officer. He stated the next item [#2021-SBT-7] was also an annual transfer for tuition

expense of out-of-district students in the amount of \$310,779.49 from the School Department to the General Fund of the City. He stated the School Department approved these transfers.

He stated the next request was to pay unemployment claims from FY20 from March 13, 2020 through June 30, 2020. He explained there were many errors in the billing which required research and he now recommended to only pay \$19,606.82 for the legitimate claims. He stated he was also requesting the bill be paid by FY21 funds.

Councilor Cox asked the School CFO how the \$60,000 figure for the School Resource Officer was arrived at. The **School CFO** stated it was the number used every year. **Councilor McCarthy** added that figure was the base salary for a patrolman.

Councilors McCarthy and Cox asked if the transfers could happen earlier in the year as it was a known school expense. **Auditor, Kenny Costa** conveyed that national law for year-end transfers could only occur during the last two months and first 15 days of the fiscal year [May 1 through July 15]. The **Auditor** suggested that in the future the entire amount should be budgeted in the correct place at the beginning of the fiscal year.

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 #2021-SBT-6 in the amount of \$60,000 from Account #S1102505-511101, GHS Salaries-Principal Professional to Account #0121151-511000, Police - Uniform, Salaries, for the purpose of funding the Gloucester High School Resource Officer.

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 #2021-SBT-7 in the amount of \$310,779.49 to Account #0182052-565004, General Fund, School Choice Sending Tuition Assessment from the following General Fund - School accounts:

| <u>Account No.</u> | <u>Account Name</u> | <u>Amount</u> |
|--------------------|---|---------------|
| S4191992-530100 | SPED-Tuition Mass. District Wide Professional & Technical | \$ 32,500.00 |
| S4193992-530100 | SPED-Tuition Non-Public School District Wide Prof. & Tech. | \$193,613.49 |
| S4194992-530100 | SPED-Tuition Collaborative District Wide Professional & Tech. | \$ 84,666.00 |
| | TOTAL: | \$310,779.49 |

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 in accordance with MGL c. 44, §64, to recommend that the City Council approve payment of a prior year invoice for claims processed by the Massachusetts Executive Office of Labor and Workforce Development, Department of Unemployment Assistance EAN Number 78303680, for unemployment claims from March 13, 2020 to June 30, 2020 for the purpose of paying FY2020 unemployment claims for school employees to be paid with FY2021 General Fund – Human Resources Department budgeted funds for a total of \$19,606.82.

3. Memorandum from Police Chief requesting acceptance of a lease donation for two 2018 BMW i3's for an additional 12 months

Summary of Discussion: **Police Lt. Jeremiah Nicastro** stated the City received two BMW i3 Rex vehicles from the Lyon-Waugh Auto Group in 2018. Since 2018, he stated, the leases had been

renewed two more times and had generously been renewed again for another year. He stated the vehicles were used by the School Resource Officers at the high school and middle school.

Councilor McCarthy asked if the schools had electric car charging stations. **Lt. Nicaastro** stated there were not charging stations at either school but stated it would be greatly appreciated if charging stations were installed. **Councilor Cox** stated she had reached out to Chief Conley to confirm the mileage would be within the lease requirements. **Lt. Nicaastro** confirmed that both vehicles would stay within the required mileage.

Members of the Committee thanked Lyon-Waugh Auto Group for their generosity.

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 Ch. 44, §53A, a donation by the Lyon-Waugh Auto Group and its affiliate, Peabody Motor Sports Inc. (as Lessor and Lessee) of the use of two 2018 electric motor vehicles, model BMW i3 Rex for one year. Vehicles are to be leased through BMW Finance Services NA, LLC for a one-year period and up to a maximum of 10,000 miles per vehicle. The term of the lease is 03/27/21 – 03/26/22, at which time the 2 vehicles will be returned to BMW of Peabody in reasonable condition. The first 2018 BMW i3 Rex with VIN number WBY7Z4C5XJVD95832 has a donation value in the amount of \$17,833.71 and the second 2018 BMW i3 Rex with VIN number WBY7Z4C57JVD96064 has a donation value in the amount of \$16,443.77 for a total of \$34,277.48.

4. Memorandum from Deputy Fire Chief/EMS Coordinator re: proposal to update the City of Gloucester's Fire Dept. Ambulance Service Billing & Collection Policy in preparation for the FY22 budget

Summary of Discussion: Deputy Fire Chief/EMS Coordinator, Phil Harvey stated the proposed fee schedule was the same as last year, but the City's rates were still above average as compared to other departments in the county. He stated in regard to the bad debt/uncollectible outstanding ambulance billing the proposed write-off was \$349,763.40. He stated a Medicare payment would offset that amount because of an expected payment of \$339,833.80 due to the City's reported expenses and rate of activity. He stated in the past the reporting was done via fiscal year over an 18-month period, but now it would be done with calendar year reporting.

Councilor McCarthy asked if the write-off amount was completely uncollected accounts or was it due to the difference of what was billed and what insurance paid. **Lt. Nicaastro** stated it was uncollected debt that the City did not expect to collect.

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 authorize the write-off of \$349,763.40 in uncollectible, outstanding ambulance billing.

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 the Gloucester Fire Department Billing and Collection Policy as presented by the EMS Coordinator and approved by the Mayor dated May 3, 2021 and further to approve the proposed fee schedule attached to and incorporated into the policy effective July 1, 2021.

5. Memorandum from Asst. DPW Director requesting review and approval of the Draft Contract 21147 Witham Street parking lease for the Good Harbor Beach parking area

Summary of Discussion: Assistant DPW Director, Mark Cole explained this request was for the lease of 11 parking spaces by the Good Harbor Beach Inn at the end of Witham Street. He stated he supplied the Assessor's office with the number of times over the past three years that beach parking lots were closed and the rates being charged on the days of the lot closures. He stated with that information the Assessor's office calculated the cost of the lease. He stated leasing these spots to the Good Harbor Beach Inn did not create a huge financial impact, as those spots would most likely be filled by residents for beach parking if the spots were not leased to the inn.

Councilor McCarthy asked the Assistant DPW Director, in partnership with Dennis of the Good Harbor Inn, if the signs for those 11 spots could be covered or taken down when the inn was closed for the season so residents could park in those spots to enjoy the beach when the beach parking lots were closed. The Assistant DPW Director agreed.

Dennis Dyer of the Good Harbor Beach Inn thanked the City for allowing him to lease the parking spots as it was very important for his business.

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 the disposition by means of a lease as provided in Lease Agreement 21147 for the Witham Street Parking area at 99 Thatcher Road between the City of Gloucester and the Good Harbor Beach Inn Corp., pursuant to the terms and conditions stated therein. Said term is to be three years from May 1, 2021 to April 30, 2024.

6. Memorandum from Superintendent of Schools requesting approval of a Statement of Interest submission to the Mass. School Building Authority's Accelerated Repair Program for the replacement of windows at O'Maley School

Summary of Discussion: The School CFO stated the Superintendent of Schools was seeking a partnership with the Mass. School Building Authority (MSBA) by applying to the Accelerated Repair Program to share in the cost of replacing the windows at O'Maley Middle School. He explained the Facilities Report dated January 20, 2019, by Dore + Whittier Architects recommended replacing the current single-pane windows to energy efficient double-pane windows, which would make the HVAC system work less vigorously and it would also be easier to maintain comfortable temperatures within the building. The School CFO stated the DPW Director estimated the cost of replacement windows to be approximately 1 million dollars. He stated the deadline to submit the application to the MSBA was June 1, 2021.

Councilor Cox stated her concerns with moving forward with the matter as the City CFO was not at the meeting. The Auditor clarified that this matter was regarding a Statement of Interest and no funds were associated at this point.

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 resolve the following:

Resolved: Having convened in an open meeting on May 25, 2021, prior to the closing date, the City Council of Gloucester, Massachusetts, in accordance with its charter, by-laws, and ordinances, has voted to authorize the Superintendent to submit to the Massachusetts School Building Authority a Statement of Interest Form dated May 27, 2021 for the O'Maley Innovation Middle School, located at 32 Cherry Street, Gloucester, Massachusetts which describes and explains the following deficiencies and the priority category(s) for which an application may be submitted to the Massachusetts School

Building Authority in the future to replace the single pane windows with energy efficient windows to decrease energy related costs. This repair project falls under priority #5 labeled “Replacement, renovation or modernization of school facility systems, windows;” and hereby further specifically acknowledges that by submitting this Statement of Interest Form, the Massachusetts School Building Authority in no way guarantees the acceptance or the approval of an application, the awarding of a grant or any other funding commitment from the Massachusetts School Building Authority, or commits the City of Gloucester to filing an application for funding with the Massachusetts School Building Authority.

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

Summary of Discussion: The Auditor stated there were 19 accounts overdrawn, including 4 new accounts. He stated the DPW – Longevity - Labor account deficit was due to a retirement. He stated the Principal and Long-term Debt account had a deficit of \$162,000 but there was money in a long-term interest account and he would check with the Treasurer’s office to figure out that account. The Charter School Tuition account had a deficit, but an internal transfer would be done from the State Assessment account. He stated the Medicare Insurance account was overdrawn, but expected a transfer by year end. He stated there were two accounts resolved since the last report.

Councilor Cox asked the **Assistant to the CAO, Chris Sicuranza** if a report could be generated for new hires and retirements. The **Assistant to the CAO** stated the process had been started with Human Resources and he would follow up and check on the status.

Councilor McCarthy stated there were a couple of line items that had a deficit and seemed to be growing. **Councilor Cox** stated the rink account was an Enterprise Fund and was not used for most of last year but still had salary expenses with no revenue. The **Assistant to the CAO** added for the veterans account’s deficit was due to vacation buyback. He stated he would work with the Treasurer to provide more information going forward.

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 6:21 p.m.

Submitted by: Sherry Karvelas, Clerk of Committees

Documents submitted at the meeting: None.

Meeting Recording: <http://gloucester-ma.gov/1097/Past-Remote-Public-Meetings>