

CITY COUNCIL STANDING COMMITTEE  
**Budget & Finance**  
**Thursday, June 23, 2011 – 9:00 a.m.**  
1<sup>st</sup> F. Council Committee Rm. – City Hall  
**-Minutes-**

**Present:** Chair, Councilor Steven Curcuru; Councilor Jacqueline Hardy; Councilor Robert Whynott (Alternate)

**Absent:** Councilor McGearry

**Also Present:** Kenny Costa; Jeff Towne; Jim Duggan; Fire Chief Phil Dench

The meeting was called to order at 9:05 a.m. Items were taken out of order.

1. *Continued Business: None.*
2. *Memorandum from CFO re: Appropriation Request from the CPA Fund of \$215,000 as Recommended by the Community Preservation Committee to pay for costs of remodeling and Making extraordinary repairs of the Gloucester City Hall*

**Jeff Towne**, CFO explained that this is a matter with an amount the Committee and he had previously discussed on how to save money in terms spending out of cash rather than borrowing the full amount of the \$2.6 million for the City Hall Restoration Project. This is the agreed upon amount with the CPC. This is to get the money out of the CPA fund to spend on the capital project. **Mr. Costa** agreed this was the appropriate way to handle the matter. **Mr. Towne** confirmed the CPC is aware of this process. He didn't feel they would spend a great deal of money by year end but wanted to appropriate it to have it available.

**MOTION:** On motion by Councilor Hardy, seconded by Councilor Whynott, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council to appropriate \$215,000 from the Community Preservation Act funds, as recommended by the Community Preservation Committee, for the purpose to pay costs of remodeling and making extraordinary repairs of the Gloucester City Hall Building, 9 Dale Avenue, Gloucester, MA for the historic preservation purposes under the Community Preservation Program. The appropriation will be allocated to the Historic Preservation category and funded from unrestricted reserves in Fund #270000. The project will be tracked in the Community Preservation Fund – Capital Projects – Historical Preservation – Fund #346000.

3. *Memorandum from CFO re: Rescission of Two Bond Authorizations: \$800,000 (I4-C2) and For \$215,000 (CPA-City Hall Restoration)*

**Mr. Towne** reviewed with the Committee that they did a loan authorization for \$1.5 million and borrowed \$700,000 for the purchase of I4-C2, and this is to clean up the authorized \$800,000 remainder. They will not be spending this portion of the authorized loan. Grant money was received in FY10 which was confirmed by **Mr. Costa**. On the second matter, **Mr. Towne** stated the rescinding for the CPA Funds is to finish the process of what was begun with the Committee's vote just taken. **Mr. Costa** recommended they then do a second rescinding in September. \$481,106.18 is unrestricted and \$56,000 is for each type. The first rounds of approved applications have had the funds encumbered but not paid out to all of them. The Schooner Adventure has \$7,000 left to be paid, as an example. He named several others whom are all drawing as the funds are needed. **Councilor Whynott** clarified for the Committee that it is the appropriate process which was discussed between **Mr. Towne** and **Councilor Whynott** with the Committee.

**MOTION:** On motion by Councilor Hardy, seconded by Councilor Whynott, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council to RESCIND a vote taken on April 28, 2010 as follows:

**“ORDERED: That the \$800,000 authorized to be borrowed pursuant to an order of this Council approved on April 28, 2010 to pay the costs of acquiring the I4-C2 Parcel, so-called, is hereby rescinded and of no further force or effect.**

**MOTION: On motion by Councilor Whynott, seconded by Councilor Hardy, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council to RESCIND a vote taken on February 10, 2011 as follows:**

**“ORDERED: That \$215,000 of the \$2,600,000 authorized to be borrowed pursuant to an order of this Council approved on February 10, 2011, for the purpose of paying costs of reconstructing and making extraordinary repairs to City Hall, is hereby rescinded and of no further force or effect.”**

**4. Memorandum from Community Development Director re: 2011 Applications for CPA Funding**

**Mr. Duggan** reviewed the Community Development Director’s memorandum who submitted this list for the Committee’s information. Upon the completion of the CPC process through their public hearings they would then make their recommendations to the B&F Committee. **Councilor Hardy** noted regarding the data submitted to the City Clerk’s office was short on copies. She felt they may need more copies and would confirm that with **Mr. Duggan** as each member needs their own copies as well as one for the City Clerk’s office to be on file. Public Hearings will take place on the following dates conducted by the CPC: 6/28/11 – Community Housing and Open Space Projects, 7/19/11 Historic Preservation – all are proposed projects for each of these categories. \$28,000 from the CPA funds from the Administration and then after paying the note for the City Hall Project there will be \$268,000 approximately left, after the City Hall debt for this year is fulfilled. **Councilor Hardy** asked if this was not to go in excess of 30%. **Mr. Costa** stated the debt service for the \$2.6 million should be budgeted each year. Debt service usually goes against the unrestricted funds. He didn’t recommend they allocate reserves towards the debt service. It is usually isolated in the budget each year as a stand alone. The town of Sudbury does it as well as other communities. **Councilor Curcuro** asked about the Legion building and that why hadn’t it been brought forward for application of this funding for repairs and maintaining that asset. **Mr. Duggan** thought that they are maintaining the property but they haven’t been pro-active in that respect. **Councilor Hardy** suggested the Committee make a list and submit those items to the CPC. **Mr. Towne** pointed out the heating system at City Hall is also in need as well. There was a discussion of the possible items for the City that could be repaired. There was also a brief discussion on the Maplewood School.

**This matter was discussed for the Committee’s information only.**

**5. Memorandum from Fire Chief re: Permission to pay an invoice without a purchase order in place**

**Chief Dench** explained to the Committee that on April 29<sup>th</sup> he sent one of the department’s front line ambulances, a 2009 International/Horton, to receive emergency repairs for a possible coolant leak. Portland North Truck Center picked up the ambulance the same day and made the repair to the coolant system in the same day as well as returned it to them that day. These were repairs that could not wait. The repair and invoicing was done on the same day as was a purchase order, but the P.O. was not approved until May 17<sup>th</sup>. Consequently, the invoices which reflect the emergency repairs had no purchase order in place.

**MOTION: On motion by Councilor Hardy, seconded by Councilor Whynott, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council to pay two invoices: #T271104 in the amount of \$4.23 (Four Dollars and Twenty-Three Cents) and Invoice #T271251 for \$150.00 (One Hundred and Fifty Dollars) to the Portland North Truck Center from the Fire Department’s Vehicle Repair Account for emergency repairs for the Fire Department’s front line 2009 International/Horton ambulance dated prior to an approved purchase order in place.**

**6. Special Budgetary Transfer Request (#2011-SBT-41) from Fire Department**

**Fire Chief Phil Dench** stated last year they split the contractual training of \$33,000 between the personnel and ordinary accounts in larger amounts in order to cut down on the amount of transfers that were needed. This year

they needed more in personnel than ordinary. This transfer is to pay for backfill and overtime for a pump operator's class. Also, this is to be used for upcoming training classes through June (Lojack, SCBA instructor). **Councilor Hardy** recused herself from this vote under MGL c. 286A.

**MOTION: On motion by Councilor Whynott, seconded by Councilor Curcuru, the Budget & Finance Committee voted 2 in favor, 0 opposed, 1 (Hardy) recused to recommend to the City Council to transfer (2011-SBT-41) \$6,000 from Fire Department, Pub Safety Program, Unifund Account #101000.10.220.53060.0000.00.000.00.052 to Fire Department, Overtime Training, Unifund Account #101000.10.220.51315.0000.00.000.00.051.**

**7. Amended Loan Authorization for \$6 million re: Green Repair Project through MSBA (Beeman, East Gloucester, Veteran's Memorial, Plum Cove Elementary Schools and O'Maley Middle School)**

**Mr. Duggan** explained that before the Committee is amended language requested of the City's Bond Counsel for the \$6 million loan authorization for the Green Roof Repair Project through the MSBA, to replace the roofs at Beeman, East Gloucester, Veteran's Memorial and Plum Cove Elementary Schools and the O'Maley Middle School. An amended loan authorization gives the City the flexibility to include replacing the roof at the Dorothy Talbot Memorial Rink in the RFP with the other school roofs. The anticipated amount of the roofs in the pre-bid conference the day before is approximately \$4.8 million for all the elementary schools. On inquiry from **Councilor Curcuru**, **Mr. Duggan** stated this is a matter of recognizing the capital need of the rink and to continue with the momentum of its repair. That roof will not be part of the MSBA reimbursement. He asked the Committee for their approval. **Councilor Curcuru** commented whoever wins the bid for O'Maley, the cost analysis will be done by the successful bidder. **Mr. Duggan** replied the architect has already done that and that it is all to be paid out of the loan directly. This language was crafted by the Bond Counsel and **Mr. Towne** added it was proofed by the MSBA. The rink did not qualify for the MSBA reimbursement program and was eliminated by the MSBA during their site visit as the rink was not in active educational use. **Councilor Hardy** asked if they have it in writing from the site visit team from the MSBA that the O'Maley would not be considered part of the other schools because it is not an educational facility. **Mr. Duggan** stated "no", they didn't have it in writing. There was appropriate City staff that had a discussion with the site team during their visit; and unfortunately, after a review by the MSBA team, they declined to include the rink roof. **Councilor Hardy** recalled she had been a part of that conversation via conference call (during her role as Acting Mayor in December 2010). **Mr. Towne** reminded the Committee they had already held a public hearing and voted on this matter. **Mr. Duggan** noted the only invoices approved so far on the roof project have been for the architect and designer services invoice payments. The invoices were a portion of the \$6 million loan. They are borrowing today on the short-term and will go to long-term in September. They're acting on the invoices already approved and that this language amends the original loan authorization.

**The Committee, by unanimous consent waived the reading of the motion.**

**MOTION: On motion by Councilor Whynott, seconded by Councilor Hardy, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council that the Order adopted by the City Council on January 13, 2011, and approved by the Mayor on January 13, 2011, be amended in its entirety to read as follows so as to include a new project to be financed:**

**Ordered: that the sum of Six Million Dollars (\$6,000,000) is hereby appropriated for (i) roof replacement at the Ralph B. O'Maley Middle School, 32 Cherry Street, Gloucester excluding that portion above the Dorothy Talbot Memorial Rink which proposed repair project would materially extend the useful life of the school and preserve an asset that otherwise is capable of supporting the required educational program, (ii) roof replacement at the Plum Cove Elementary School, 15 Hickory Street, Gloucester, which proposed repair project would materially extend the useful life of the school and preserve an asset that otherwise is capable of supporting the required educational program, (iii) roof replacement at Veterans' Memorial School, 10 Webster Street, Gloucester, which proposed repair project would materially extend the useful life of the school and preserve an asset that otherwise is capable of supporting the required educational program, (iv) roof replacement at East Gloucester Elementary School, 8 Davis Street Extension, Gloucester, which proposed repair project would materially extend the useful life of the school and preserve an asset that otherwise is capable of supporting the required educational program, (v) roof replacement at the Beeman Memorial School, 138 Cherry Street, Gloucester, which proposed repair project would materially extend the**

useful life of the school and preserve an asset that otherwise is capable of supporting the required educational program, (vi) replacement of that portion of the roof above the Dorothy Talbot Memorial Rink at the Ralph P. O'Maley Middle School (the "Rink Project"), said sum to be expended under the direction of the Department of Public Works, and to meet said appropriation the Treasurer with the approval of the Mayor, is authorized to borrow said sum under M.G.L. Chapter 44, or any other enabling authority:

**I. MSBA Projects Eligible for Grant Funding:** That portion of the total amount authorized to be borrowed by this vote for (i) roof replacement at the Ralph B. O'Maley Middle School, excluding that portion above the Dorothy Talbot Memorial Rink, (ii) roof replacement at the Plum Cove Elementary, (iii) roof replacement at the Veterans' Memorial School, (iv) roof replacement at the East Gloucester Elementary School, (v) roof replacement at the Beeman Memorial School is expected to be expended to pay costs of MSBA projects for which the City may be eligible to receive a grant from the Massachusetts School Building Authority's (MSBA) to pay a portion of such costs, that the City acknowledges that the Massachusetts School Building Authority's (MSBA) grant program is a non-entitlement, discretionary program based on need, as determined by the MSBA, and any project costs the City incurs in excess of any grant approved by and received from the MSBA shall be the sole responsibility of the City; provided further that any grant that the City may receive be from the MSBA for the MSBA Projects shall not exceed the lesser of (1) forty-eight and twenty-seven one hundredths percent (48.27%) of eligible, approved project costs, as determined by the MSBA; that the amount of borrowing authorized pursuant to this vote shall be reduced by any grant amount set forth in the Project Funding Agreement that may be executed between the City and the MSBA, and

**II. Rink Project Not Eligible for Grant Funding:** That portion of the total amount authorized to be borrowed by this vote is expected to be expended to pay costs of the Rink Project not eligible for grant funding, specifically for replacement of that portion of the roof above the Dorothy Talbot Memorial Rink at the Ralph B. O'Maley Middle School. The City acknowledges that the costs described in this paragraph shall be the sole responsibility of the City, and that the City is not eligible to receive financial assistance from the Commonwealth of Massachusetts for the MSBA to defray any portion of such costs.

**Further Ordered:** that the proceeds of the \$6,000,000 appropriation authorized by this order shall first be used for the MSBA Projects that are eligible to receive MSBA grant funding.

**Further Ordered:** that the Treasurer is authorized to file an application with the Municipal Finance Oversight Board to qualify under Chapter 44A OF THE General Laws any or all of the bonds authorized by this order and to provide such information and execute such documents as the Municipal Finance Oversight Board may require for these purposes AND FURTHER TO ADVERTISE FOR PUBLIC HEARING.

**8. Memorandum from CFO re: Municipal Lien Certificate and Demand Fees**

**Mr. Towne** explained many other communities have already made increases on demand fees; in fact, some have increased their demand fee to \$30.00. Demand notices take a great deal of time and effort to produce. He has not been able to obtain the information from other communities to give the Committee for a comparison on demand fees and Municipal Lien Certificates (MLC). **Councilor Curcuru** felt that the information could be submitted by the time of the public hearing. **Councilor Hardy** suggested that they bring this matter to public hearing at the July 26<sup>th</sup> City Council Meeting. **Councilor Curcuru** asked about the anticipated revenue increase. **Mr. Towne** thought they could increase the combined revenue from Demand Fees and MLC's by \$43,000 over what is in the budget now, even during the current economic slowdown. This will increase demand fees in water and sewer as well as other funds. On inquiry by **Councilor Curcuru**, **Mr. Towne** stated this would be added to the line items for MLC's and Demand fees. This revenue would enable his department to restore the Collections Clerk Supervisor position which he felt was essential in the running of this department.

**MOTION:** On motion by Councilor Hardy, seconded by Councilor Whynott, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council to permit the following fee increases as proposed in a June 7, 2011 by the City's Chief Financial Officer for Certificates of Liens and Demand Fees AND FURTHER TO ADVERTISE FOR PUBLIC HEARING:

Land less than one acre with no permanent structure	\$50.00
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Land with no more than a single family resident and outbuildings	50.00
Land with no more than a two-family residence and outbuildings	50.00
Land with no more than a three-family residence and outbuildings	50.00
Land with residence of four or more families	175.00
Land with a commercial, industrial or public utility concern structure	250.00
Farms, forest land and all other real property	100.00
Land with one acre or more with no permanent structure	100.00
Demand Fees	10.00

The matter of comparisons of MLC and Demand Fees charged by other communities in Massachusetts is continued to July 21, 2011.

**MOTIONS FOR CITY COUNCIL MEETING FOR FY12 APPROPRIATIONS:**

**MOTION:** On motion by Councilor Hardy, seconded by Councilor Whynott, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council to transfer (2011-SBT-42) \$18,648.00 from DPW-Snow/Ice Removal, Replace Equip, Unifund Account #101000.10.423.58700.0000.00.000.00.058 to DPW-Snow/Ice Removal, Snow/Ice Contract, Unifund Account #101 000.10.423.52970.0000.00.000.00.052.

The first group of these take any positive balances to the Snow & Ice deficit.

**MOTION:** On motion by Councilor Hardy, seconded by Councilor Whynott, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council to transfer (2011-SBT-43) \$10,487.00 from Mayor, Sal/Wage-Temp Position, Unifund Account #101000.10.121.51200.0000.00.000.00.051 to DPW-Snow/Ice Removal, Snow Removal Contract, Unifund Account #101000.10.423.53900.0000.00.000.00.052.

**MOTION:** On motion by Councilor Hardy, seconded by Councilor Whynott, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council to transfer (2011-SBT-44) \$25,000.00, Main Office Contingency Unifund Account #101000.21.370.53800.2305.00.270.00.052 to DPW-Snow/Ice Removal, Snow/Ice Contract, Unifund Account #101000.10.423.52970.0000.00.000.00.052.

**MOTION:** On motion by Councilor Hardy, seconded by Councilor Whynott, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council to transfer (2011-SBT-45) \$1,900.00, Assessors, Sal/Wage-P/T Pos, Unifund Account #101000.10.141.51250.0000.00.000.00.052 to DPW-Snow/Ice Removal, Tires & Tire Maint., Unifund Account #101000.10.423.54820.0000.00.000.00.054.

**MOTION:** On motion by Councilor Hardy, seconded by Councilor Whynott, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council to transfer (2011-SBT-46) \$145.00, Assessors, In-State Travel, Unifund Account #101000.10.141.571000.0000.00.000.00.057 to DPW-Snow/Ice Removal, Tires & Tire Maint., Unifund Account #101000.10.423.54820.0000.00.000.00.054.

**MOTION:** On motion by Councilor Hardy, seconded by Councilor Whynott, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council to transfer (2011-SBT-47) \$29,705.36, Treasurer/Collector, Debt Service LT Int., Unifund Account #101000.10.145.59150.0000.00.000.00.059 to DPW-Snow/Ice Removal, Salt/Sand Road, Unifund Account #101000.10.423.55410.0000.00.000.00.054.

“Per MGL Chapter 40, Section 5B, Stabilization Funds, “Appropriation of Funds into or out of any such fund shall be approved by two-thirds vote....”

**MOTION:** On motion of Councilor Hardy, seconded by Councilor Whynott, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council to appropriate \$300,000 (Three Hundred Thousand Dollars) from Fund #840000, Stabilization Fund to the General Fund, DPW-Snow/Ice Removal, Salt/Sand-Road Account #101000.10.423.55410.0000.00.000.00.054. The purpose of this

**appropriation from the Stabilization Fund is to reduce the FY2011 DPW-Snow & Ice Removal year-end deficit.**

**MOTION: On motion by Councilor Hardy, seconded by Councilor Whynott, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council to transfer (2011-SBT-48) \$10,000, Treasurer/Collector, Debt Service LT Int., Unifund Account #101000.10.145.59150.0000.00.000.00.059 to DPW-Snow/Ice Removal, Gasoline, Unifund Account #101000.10.423.54110.0000.00.000.00.054.**

**MOTION: On motion by Councilor Hardy, seconded by Councilor Whynott, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council to transfer (2011-SBT-49) \$5,000, Treasurer/Collector, Debt Service LT Int., Unifund Account #101000.10.145.59150.0000.00.000.00.059 to DPW-Snow/Ice Removal, Diesel Fuel for MV, Unifund Account #101000.10.423.54120.0000.00.000.00.054.**

**MOTION: On motion by Councilor Hardy, seconded by Councilor Whynott, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council to transfer (2011-SBT-50) \$5,453.74, Treasurer/Collector, Debt Service LT Int., Unifund Account #101000.10.145.59150.0000.00.000.00.059 to DPW-Snow/Ice Removal, Other Parts-Maintenance, Unifund Account #101000.10.423.54850.0000.00.000.00.054.**

**MOTION: On motion by Councilor Hardy, seconded by Councilor Whynott, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council to transfer (2011-SBT-51) \$260,946.36, Treasurer/Collector, Debt Service LT Int., Unifund Account #101000.10.145.59150.0000.00.000.00.059 to DPW-Snow/Ice Removal, Other Snow/Ice-Contract, Unifund Account #101000.10.423.52970.0000.00.000.00.052.**

**MOTION: On motion by Councilor Hardy, seconded by Councilor Whynott, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council to transfer (2011-SBT-52) \$23,025.75, Treasurer/Collector, Debt Service ST Int., Unifund Account #101000.10.145.59250.0000.00.000.00.059 to DPW-Snow/Ice Removal, Other Snow/Ice-Contract, Unifund Account #101000.10.423.51310.0000.00.000.00.051.**

**Mr. Towne** and **Mr. Costa** related that what will remain at year end is \$110,000 overlay surplus which will help to reduce what is remaining in the fund and then the MEMA funds are hoped to come in at \$144,000. So that deficit in that amount will remain until that reimbursement comes in. If received before September 30<sup>th</sup> it can be done by a journal entry to offset the deficit. If it comes in after September 30<sup>th</sup> it goes under the recap. **Mr. Towne** noted they will get something; \$190,000 was submitted; 75% is reimbursable. If the \$144,000 doesn't come in by recap time they will have a problem and may have to tap the Stabilization Fund should they get to that point and will face that on September 30<sup>th</sup> to figure out where they stand. The Committee was assured the necessary documents were submitted and received on time by MEMA.

**MOTION: On motion by Councilor Hardy, seconded by Councilor Whynott, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council to transfer (2011-SBT-53) \$40,000, Treasurer/Collector, Debt Service ST Int., Unifund Account #101000.10.145.59250.0000.00.000.00.059 to DPW-Facilities-Electric Plum Cove, Unifund Account #101000.10.472.52101.4130.20.276.00.052.**

**Mr. Towne** explained these transfers to follow are for the schools to be sure there are no deficits which **Mr. Costa** has been working with the School Department on. Two were sent back to the School Department for revision. These that follow take care of five deficits. **Councilor Curcuru** wondered if that would then create a problem with free cash if the two transfers sent back are not taken care of before the end of the fiscal year. **Mr. Costa** had yet to hear from Tom Markham, the School Department CFO. He noted there probably won't be enough time. They can do it in FY12 with current funds to pay FY10 invoices with permission from the City Council. **Mr. Towne** stated these transfers to come take care of big items. There are four other small transfers to be done and asked that right before the City Council meeting of June 28<sup>th</sup> they would agree to a special B&F meeting to accomplish the transfers to then be presented to the Council at their meeting starting at 7 p.m. **Councilors Curcuru** and **Hardy** stated the Committee had planned to do this already. **Mr. Towne** applauded **Mr. Costa's** efforts to stay on top of the deficits and seeking to eradicate them. Deficits are allowed to be "cleaned up" going as far back as needed.

**MOTION: On motion by Councilor Hardy, seconded by Councilor Whynott, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council to transfer (2011-SA-2) \$4,202.93, O'Maley Classroom Furnishings, Unifund Account #101000.21.372.58501.2305.30.272.00.058 to 2004 Title II Improving Education (School Grant), Unifund Account #282003.**

**MOTION: On motion by Councilor Hardy, seconded by Councilor Whynott, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council to transfer (2011-SA-3) \$152.47, O'Maley Classroom Furnishings, Unifund Account #101000.21.372.58501.2305.30.272.00.058 to 2004 Comp School Reform (School Grant), Unifund Account #282007.**

**MOTION: On motion by Councilor Hardy, seconded by Councilor Whynott, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council to transfer (2011-SA-4) \$7,120.00, O'Maley Classroom Furnishings, Unifund Account #101000.21.372.58501.2305.30.272.00.058 to 2005 Perkins Entitlement (School Grant), Unifund Account #282016.**

**Councilor Hardy** asked about the balances in these accounts after the deficits were cleaned up. **Mr. Towne** noted that is their bottom line in their current year's budget and any remainder is typically put towards SPED.

**MOTION: On motion by Councilor Hardy, seconded by Councilor Whynott, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council to transfer (2011-SA-5) \$726.43, O'Maley Classroom Furnishings, Unifund Account #101000.21.372.58501.2305.30.272.00.058 to 2005 Safe Drug Free Schools (School Grant), Unifund Account #282023.**

**Councilor Hardy** appreciated seeing some of these older items finally being 'cleaned' up and asked how many others there were like them. **Mr. Costa** responded that on the school side that was it with the exception of FY11. There are some positives in these funds as well. As to how that would be handled, he believed the School Department needed to do some research to see if, in fact, this money belongs in the General Fund. As an example, if they had spent it in the General Fund, sought reimbursement and then put it into one of these grant funds. If that is the case, the money belongs in the General Fund not in these grant funds. **Mr. Towne** made note of having similar situations on the City side as well. Once they get through the deficits they would tackle the positives.

**MOTION: On motion by Councilor Hardy, seconded by Councilor Whynott, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council to transfer (2011-SA-6) \$684.40, O'Maley Classroom Furnishings, Unifund Account #101000.21.372.58501.2305.30.272.00.058 to 1999 Emergency Immigration (School Grant), Unifund Account #282035.**

**9. *Memo from City Auditor regarding accounts having expenditures which exceed their authorization And Auditor's Report***

**Mr. Costa** reviewed his documentation with the Committee which was submitted at the meeting and on file.

**MOTION: On motion by Councilor Hardy, seconded by Councilor Whynott, the Budget & Finance Committee voted 3 in favor, 0 opposed that the City Auditor, Kenny Costa, provide a report to the Administration related to all departments that have grant deficits. Further, that the Administration contact those department heads and have them either appear at the Special B&F meeting of June 28, 2011 at 6:00 p.m. to discuss the deficits or to provide the City Auditor, Kenny Costa copies of their grant reimbursement requests for said deficits. The purpose of this is to insure that "free cash" will NOT be impacted at the close of the FY11 budget.**

A motion was made, seconded and voted unanimously to adjourn the meeting at 10:35 a.m.

Respectfully submitted,

Dana C. Jorgensson  
Clerk of Committees

**DOCUMENTS/ITEMS SUBMITTED AT MEETING:**

- **Actual Amount Overdrawn Report and Projected Amount Overdrawn Report**