

CITY COUNCIL STANDING COMMITTEE

Budget and Finance

Thursday, March 25, 2010 – 6:30 p.m.

KYROUZ AUDITORIUM

Present: Chair, Councilor Steven Curcuru, Vice Chair, Paul McGeary, Councilor Jacqueline Hardy

Absent: None

Also Present: Councilor Ciolino; Suzanne Egan; Mayor Carolyn Kirk; Jim Duggan; Jeff Towne; Mary Richardson; Sarah Garcia; Chief Michael Lane; C. Kareem Howard; Joseph Grace; Attorney Meredith Fine; David Anderson

The meeting was called to order at 6:35 p.m. Items were taken out of order.

1. *Unfinished Business:*

A) Stormwater Utility Fee (Continued from 03/11/2010)

Mr. Towne noted for the Committee at a meeting on March 30th of the Administration and the Committee on the matter that they would be discussing the calculations of what debt shift means on the tax rate.

Councilor Curcuru noted that after that meeting they would be better prepared to speak to the Stormwater Utility Fee at the next Budget & Finance meeting; therefore, this matter is continued to April 8, 2010.

B) Special Budget Transfer Request (**#10-24**) (Continued from 03/11/2010)

Mr. Towne stated that it was placed on a new form for the Councilors, having had it submitted originally on an intra-departmental transfer form. In fact, this is a supplemental appropriation as they are going to transfer to another fund to cover deficits they've been systematically attacking to try and get the deficits down. This was a deficit created by the Adult Learning at the library. The library has funded this through savings in their children's librarian line item.

Councilor Hardy appreciated this was being resolved and expressed her thanks to Mary Richardson in the Auditing office for bringing the matter to the Committee's attention.

MOTION: On motion by Councilor Hardy, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council the transfer of funds for Special Budget Transfer Request #10-SA-6 for \$2,010.99 from Library-Admin., Sal/Wage-Perm. Pos., Unifund Account #101000.10.610.51100.0000.00.000.00.051 to Special Revenue Funds, Unifund Account #101000.10.992.59600.0000.00.000.00.059.

C) Memo and Special Budgetary Transfer Request (#10-20) from Police Chief

Mr. Duggan stated he had asked Mr. Terpos, of the Police Department, to generate another form copying exactly what he had submitted, the expanded explanation. On Monday, Mr. Terpos informed him that the transfer had already been done and in the system, which was confirmed. The transfer form was discovered and put in. Mr. Duggan questioned the matter when he saw it on the agenda for this evening.

Councilor Curcuru stated originally when it [the form] left B&F; it left with the stipulation that would have additional information at Council. When it came to the Council, Mr. Terpos was on vacation. It got dropped; and it ended up back at B&F awaiting additional information, but in the meantime the transfer went through.

Mr. Duggan stated he had submitted the form with the expanded explanation.

Councilor Hardy made a recommendation that this is continued to the next meeting and that the form be found and submitted

Mr. Dugan stated he would do so or have Mr. Terpos generate a new form.

The matter was continued to April 8, 2010.

2. *"Friendly Eminent Domain Taking" of Parcel Known as I4-C2 and Loan Authorization*

Mayor Kirk having spent the week in subcommittee meetings summarized the topics discussed. At O&A they affirmed the legality of the transaction; reported their understanding of the restrictions, of which there are none on the use of the State bond proceeds; a written history of I4-C2 was provided; O&A asked for a public hearing for input from the Community for April 13th at the City Council. At P&D they addressed the environmental questions raised for the site, of possible contamination. A Phase 1 assessment is underway. DEP has contracted out with Weston & Sampson to perform that work on the City's behalf. They believe there is a clean report of the site for a 21E and are in the process of tracking it down and believe they found those records as recent as 2004 in storage at a bank in Boston. The records need to be transferred, which will

take about a week to transfer up to the City, and needs a release from the parties concerned to share that information. They spoke about the possible uses and the approach to the development, and the Order of Taking, a City Council action which originates in P&D up to Council, and a variety of questions pertaining of land and zoning issues. The Administration tonight will discuss the action that is being requested to approve the loan authorization request for your review and will talk about how they anticipate paying back that loan. Also to be discussed will be the negotiated damages settlement, the price, in looking at a friendly eminent domain taking, and the appraisals that support the negotiated settlement. However, the General Counsel suggested that we enter into executive session, and will give the actual citation on that matter.

Ms. Egan noted the provision under which the Committee can to enter into Executive Session is Chapter 39, Section 23B, sub-section 6, which provides to consider the purchase, exchange, taking, lease or value of real property if such discussion will have detrimental effect on the negotiating position of the governmental body and a person, form, or corporation. Because this transaction has not been completed and because you will be discussing the value of the property, she suggested the Committee convene an executive session to make sure that we minimize any potential liability or negotiating stance going forward.

Councilor Hardy stated under the MGL Chapter 39, Section 23B, and is in accordance for the procedures for convening an Executive Session, this particular meeting has been properly posted as a meeting and the purpose of the Executive Session will be in accordance to consider the purchase, exchange or taking, lease or value of real property if such discussion will have detrimental effect on the negotiating position of the governmental body and a person, form, or corporation. We will need to take a vote whether to enter into Executive Session by a roll call vote; and they will be announcing the reconvening to come back into an open meeting. The votes, if taken in the executive session, will be by roll call votes, although she didn't believe there would be any motions expected to be taken at that time.

MOTION: On motion by Councilor Hardy, seconded by Councilor McGeary Paul McGeary, the Budget & Finance Committee by Roll Call voted 3 in favor, 0 opposed to enter into Executive Session in accordance with MGL Chapter 39, sec. 23B, sub-section 6, to consider the purchase, exchange or taking, lease or value of real property if such discussion could have detrimental effect on the negotiating position of the governmental body and a person, form, or corporation.

Councilor Ciolino, who was in attendance, was invited by the Committee to join in the Executive Session as was the Mayor, Ms. Egan, Mr. Duggan, and Mr. Towne.

The Executive Session is convened at 6:45 p.m. and was ended at 7:13 p.m. by roll call vote. No other motions were entertained during the Executive Session.

By unanimous consent, the Budget & Finance voted to reconvene to open session at 7:16 p.m. in Kyrouz Auditorium.

Mr. Towne stated the actual motion is for the borrowing for \$700,000.00 through the open market with an interest rate of 2%; and interest expense in Year 1 and 2 of \$12,500.00; and in Year 3 pay down the principal of around \$70,000.00, and maximum exposures of \$82,500 in Years 3, 4 and 5. This would have to be converted to long-term debt after five years through a preliminary offering statement to the public.

Councilor McGeary asked the Mayor that in the interim, assuming that it's 3, 4 or 5 years before we start to realize revenue from this, what are the Administration's ideas for offsetting some of the costs, and holding down some of the current costs, while the development plans proceed.

Mayor Kirk stated for FY11, they would budget \$12,500.00, the short-term interest payment, for that first year. The revenue source is the balanced budget submitted to the Council.

Councilor McGeary asked if she envisioned generating revenue off this site, bearing in mind that under the DPA there are temporary uses are more flexible which we couldn't do through the permanent license.

Mayor Kirk stated in Year 1 she couldn't make a promise to the Council on that being an income producing situation. That would be the time to complete the transaction and clean up the site to make it presentable to the community. There is value in just doing that. By Year 2 there should be enough opportunities to cover those costs in Temporary uses. Heading into Years 3 and 4, they would have time to put a package together that they ideally avoid the principal pay downs and the permanent financing all together. Any assembly of a package would include, if it was a land lease, the revenue to cover that, well above that. The business plan has not been entirely thought through. It is premature. Anything we do right now without owning the parcel is speculative.

Councilor Hardy asked for clarification on the term "cleaned up" as opposed to 21E.

Mayor Kirk stated they will be on a site visit on Saturday at 8:30 a.m., with Chairman Ciolino of P&D who will host the site walk. You will see the sumac, trees, the weeds, needing removal. The DDC has a member who is a landscape architect and has some suggestions regarding the vegetation. They don't want the view obstructed to the waterfront with the overgrowth. They have to go through the Conservation Commission about these intentions. She is referring to the blight when stating "cleaned up".

Councilor Hardy asked regarding the Waterways Board, she heard them make a statement at the Planning & Development meeting that there's an opportunity to increase the berthing at the site. How do we make sure that gets done? She's heard them say that before and all they did was space things out further and further. If part of the economic development is economic development is related to the water, increasing the berthing is directly related to that.

Mayor Kirk noted they are an independent board with an enterprise account and fund their own activities through that account through a vote of that Board. There's not a lot of executive authority that the City Council or the Mayor's office has over some of their activities. It's getting the Waterways Board on board with the need to expand dockage to generate revenue for their operation. There are things that they can do on their own without the use of this particular grant. That \$800,000.00 was going to not improve the City's property, but that property belongs to the National Grid, and that's a huge difference in the use of that \$800,000.00 grant from the State's Seaport Advisory Council.

Councilor Hardy stated then there's no assurance that the berthing will increase. Part of the reason why the combined lot and the value was increased a little bit was because we will now own both so we can increase the value of the appraisal was because of the water rights. The berthing goes with the water rights.

Mayor Kirk stated the water rights are in the control of the Waterways Board. The GRA conveyed the oversight and management of those docks to the Waterways Board. In terms of looking at it as combined, the dockage already exists, so that the water dependent use is there. That's what helps with the DPA zoning. That's what is not available to the property owner – that parcel is landlocked.

Councilor Hardy is looking for assurances and will hold them to that. As far as the developing, putting out the RFP's, who is going to be doing the actual work? So many of our departments have fewer and fewer people these days. Which department are you going to tap to do this, and how much work on a weekly or monthly are they going to dedicate to this.

Mayor Kirk stated the Seaport Advisory Council two years ago gave us a grant for \$400,000.00 and only \$150,000.00 has been drawn down. There is an opportunity and the flexibility in that grant to help support the economic development for this particular parcel. They anticipate outsourcing some of the work. The Community Meetings they would like to see them be facilitated by an outside source, like Mt. Auburn Associates to extend the work they're already doing with the City. They are looking at some of the development opportunities; what are financing sources, public/private, etc. They will have resources that oversight will come from Community Development. The activity will be prioritized appropriately, given the timeframe that they want to try and maintain to avoid the Year 3, 4, 5 payments on the property.

Councilor Hardy stated at one of the last instances of a loan authorization, she requested that going forward there be a clarification of what is the current debt, and asked for that information now.

Mr. Towne stated the City will end up with a total of \$145 million and a couple of hundred thousand dollars after that with all of the debt that we have outstanding presently and all loans authorized on issue without this.

Councilor Hardy asked how much debt is retiring in the next five years.

Mr. Towne responded right now in the general fund alone they do about a little over \$6 million a year each year and in the sewer and water fund they do probably a combined \$5.5 million. You're looking at \$9 million to \$10 million a year coming off the debt each year for the next several years.

Councilor Curcuru asked what the City loses in taxes.

Mayor Kirk stated it was about \$6,000.00 annually. The revenue from the tax base is to maintain collections as high as possible and to pursue delinquencies and tax liens. The City is moving properties through the tax title process and sending them to auction. This is a generation of free cash which gives the City flexibility to do the things that improve the quality of life in the City.

Mr. Towne noted there are 4 properties coming up towards the end of April, with the auctioneer and attorney set. The properties are: 2 Day Court, 18 Starknaught Road, 91 Commercial Street. There are no buildings on these properties. These three are considered potentially buildable and the fourth is considered non-buildable, having a dock on it which is 63 Atlantic Street. It has a lot of deeded easement rights over the property for many houses in the neighborhood. That has been owned by the City for a long time. The neighborhood association has tried to fix the finger floats, but there are a lot of deed restrictions on it. It will go at public auction, but it is doubtful that many folks will be interested in that parcel because of the many deed restrictions on it.

Councilor Curcuru stated hypothetically if the City purchase I4-C2 and 3 years from now someone wants to purchase it from the City, do the water rights go with the transaction. How do we protect the rights for the city and reignite the easements for the City.

Ms. Egan stated once we own the two parcels as one lot, if the City chooses to convey out any portion of that, they can convey it out in any manner they choose. They can always retain access to the waterfront docks, and can always retain any other type of interest in the land that the City holds because they'll hold both of the parcels in fee.

Councilor Curcuru asked the Administration to have Mr. Bent of the Waterways Board and Harbormaster Jim Caulkett at the public input hearing at the April 13th City Council Meeting.

Councilor Ciolino felt it was premature to decide the best use of the waterfront until we have a proposal for the land part of it. The driving force will be the plan for the land part. The access issues need to be answered.

Councilor Hardy spoke with Ms. Garcia today who informed the Councilor that the draft letter to Mr. Ryan, Capital Policy Analyst for the Executive Office for Administration & Finance that the letter is now generated and asked if it has been sent off. And will the response be available in time for the Council meeting.

Ms. Garcia stated she and Councilor Hardy discussed that our Legal Counsel would draft a letter, send it into the State, and the State would write a letter confirming the legal opinion written by our own Counsel.

Ms. Egan stated it will be done by the end of the week and hasn't been drafted yet.

Councilor Hardy believed that Councilor Tobey had asked for this very thing back in January.

Ms. Egan responded that she assumes that once she sends the letter off they should be able to respond right away.

Councilor Hardy asked how much more time can the Council have beyond the 27th of April. You mentioned 30 more days.

Ms. Egan confirmed that fact with the Mayor adding the first choice would be to have it at the first public hearing of the 13th of April.

Councilor Hardy emphasized the reason we're writing the letter now is public and that time is of the essence.

Mr. Anderson, 16 Middle Street assumed that after open discussion the RFP to be put forth would be an open-ended request that developer(s) would have options to offer the City that would bring financial gain. But additionally, they'll have to have something on the waterfront part. There should be enough options that the developers could be creative. We need to be flexible. The City needs options. In order to be attractive, it has to be a contiguous parcel. It is an important and good step forward and means a great deal to the City. Please do it properly, aggressively and liberally with the developers.

Attorney Faherty, 83 Mt. Pleasant Avenue commented for taxes on this parcel billed for this year is \$8,427.00 since 2009. All those taxes were paid. When you make your consideration of the \$12,500.00, you also have to calculate the \$8,427.00 you're losing. He wanted to comment on the notion that it is acceptable that we can afford this because it's only going to cost \$12,500.00 per year. This is the same thinking that gets everyone in trouble financially. This is not a \$12,500.00 proposition. You will not have any development down there without the expenditure of some serious money to develop the site, to do all of the proposals – to do all of those things including the testing, the survey work, etc. which would be a precondition to properly market this project. He assumed the Councilors have read the appraisal upon which the basis for this price

was generated, the one Mr. Cohen prepared. The very first page of the overview in the last paragraph states, "What are valued herein are the real property rights held by the owner in the pending sale of the land of the City of Gloucester. This includes the rights held in this .64 acre parcel under the redevelopment plan. That refers to parcel A which is already owned by the City of Gloucester." There are no rights, none, in that parcel that's on the waterfront that are inherent in the parcel you are taking. You can look at the deed. Mr. Cohen also went to court; and the appeals court told him that he had made a risk assessment, and unfortunately for him he lost. The deeded rights to that waterfront parcel were gone in 1987. That is it. For this appraiser to say we're applying the value of what's in the redevelopment plan indicates he doesn't understand what is inherent in this parcel. Moreover, the redevelopment plan under urban renewal has expired. In addition to that, on Page I of the report, the two people who signed the report, Webster Collins and Harris Collins, and that James T. Moore and Webster Collins and Harris Collins have not make a personal inspection of the property. So this appraisal contains the opinions of two signatories of this appraisal with an affirmative representation that, "we have not made a personal inspection of the property". You're asking the City to rely on someone who's not made a visit to the property. Page 1, which is the introduction, says, "under the redevelopment plan the land is effectively one parcel with nominal title held by the City in Parcel A to cover grants received to pay for dock construction". Again, this is a gross misstatement of fact or law. It isn't nominal title. The title to the fee under those docks, the riprap, and the concrete deck belong to the City of Gloucester now. On page 11, "the City offers a full range of services including a full time police and fire department, public library and public school systems. Utilities are provided by the municipality throughout the community. Gas and electric are provided by Commonwealth Gas and Boston Edison". Is there anyone in this City receiving their electricity from Boston Edison? And how long has Boston Gas been out of business. Page 11 of this report is being offered to you as proof of the value you should pay. Page 18, "Access to the property: "Primary access to the subject property is provided by Centennial Avenue off Washington Street. Additionally, Rogers Street is off of Rt. 127, and Rt. 133 provides secondary access. Conclusion: the neighborhood to be well-suited for current uses. Furthermore, positively benefiting the subject property, is the neighborhood's proximity to Gloucester Harbor, a fishing Mecca, where fish are purchased daily at auctions commencing at 6:00 a.m., 6:30 a.m., 7:00 a.m. and lastly at 12 p.m." Are there 4 auctions in Gloucester? The market analysis that is done on this property is predicated on the fact that it can be used for retail purposes. It states that because it is in the MI district, and retail uses are allowed in an MI district, that was the analysis. There are several pages talking about what's called the "retail gap analysis", which is the difference in Essex County in the demand for retail services and the supply. The conclusion is that there is an actual gap between the demand and supply which would support beneficial support on this property. It includes that you could have a marine orientation with a fish market. The conclusion in terms of the market analysis upon which this whole appraisal is based says, "That as described in the letter of transmissal, the site is an urban renewal area", again ignoring that the urban renewal restrictions expired. "Further the site is a marine industrial zone. Within the marine industrial zone retail is an allowed use. A wide variety of marine-related retail uses could fit on this site from clothing to general merchandise. Under zoning in an urban parking ratio of 4 to 1, a two-story, 30,000 sq. ft. development would represent an ideal improvement for the site". There isn't one mention of the Designated Port Area (DPA) restrictions on this site. When you get to the sales comparison approach the closest land they could use was a playground in Charlestown. They used properties that were bought by Massport on East Boston's main channel. They used sites in Quincy. Not one local site was used for comparison purposes. He would suggest whatever the motive was for preparing this; this is an absolute joke and an affront to your ability to decipher the "wheat from the chaff". This is not an adequate appraisal upon which you can decide to spend \$1.5 million in City dollars. He didn't care where it was coming from; it was still taxpayer's money. There is a case in 2008 where the Town of Cheshire, plaintiff in an appeals court case. In that case, the person was claiming that their property made sense as a water source for the City, which the City agreed could be used as a water source. But it had never been used as a water source. It had been used as a gravel pit. The court said, "The owner is not entitled to and increase in the fair market value resulting from the public use or improvement contemplated by the taking authority. Nor may the announcement of a public purpose increase the fair market value for calculation of the landowner's damages. The danger of such a bootstrapping evaluation may be greater in circumstances in

which the property owner is hypothesizing as a new and highest and best use, the very activity for which the government is taking the land.” That’s what we’re talking about. Except the Mayor said in answer to your questions that, “this is not very well thought through”, those were her exact words; and she said that her “thoughts on this are speculative”. In another case in 2007, in another case, related to the DPA if it figures in to the valuation it talks about the suitability to the use of the land. It is open that a significant portion was not suitable for the proposed purpose. It talks about the fact that the owner has to take into account reasonable expectation as to what can be done with the land and has to discount the value for uses that aren’t likely to be developed. In the appraisal that was offered to you, it says we could have a 30,000 sq. ft. retail merchandise building of two stories. It doesn’t make any sense. Also, 30,000 sq. ft. of retail space requires approximately 140 parking spaces on the lot too which are not going to be generated. He doesn’t think there’s anyone in the City who doesn’t want something productive made of that site. This is not the approach to take. He hasn’t heard one use, other than that this might be an appropriate location for the Farmer’s Market. We can’t spend \$1.5 million for the Farmer Market and hope someone comes forward. If the Administration is presenting to you they wish to divert the \$800,000.00 to create additional dockage, that would be a good use of money and we don’t have to own I4-C2 to do that. You already own that parcel. There is no reason to buy the “tail of this dog” when you already own the good parts.

Councilor Curcuru called for a five minute recess at 7:59 p.m.

The meeting reconvened at 8:04 p.m.

Councilor Curcuru asked the Mayor if she wished to speak in rebuttal to Attorney Faherty’s remarks.

Mayor Kirk stated, first, they did not rely on Mr. Cohen’s appraisal. They relied on the appraisal that was commissioned by the City of Gloucester. That is in the packet. It is the Shuka Associates, Inc. appraisal. It has a thorough treatment of the DPA rules and regulations in it. Secondly, the cases Mr. Faherty referenced in 2008, the cases supporting the legality of the transaction were submitted to the Council Monday evening at O&A. We have legal opinion from the City’s Legal Counsel affirming the legality of the transaction and the cases that support that. And thirdly she clarified the word, “speculative”. If you recall at P&D, what they were discussing was any attempt to make plans for someone else’s property *is speculative*. Let’s make sure we understand that context. We do not have the cooperation of this property owner. One of the key questions here is, are we putting the cart before the horse? That’s a good and valid question. However, we can’t file permits on behalf of another property owner. We can’t make plans for their property. All of that activity is a waste of time, i.e., speculative. It is only when the City has possession and control or the cooperation of the property owner to put a development plan together that will give us the economic benefit that we need and that this parcel could drive forward for the City.

Councilor Hardy expressed her understanding that the loan authorization will go to the City Council for public hearing on the 27th of April and that there’s going to be a public hearing on the 13th of April for the public to come out and be heard. There is other information that will be coming forward as a result of some of the things that were said here this evening. She will be doing a bit more research, but for the sake of getting this on the agenda so we can have this on the agenda in a timely fashion for the public hearing, she will be voting in favor of this, this evening.

Councilor McGeary echoed Councilor Hardy stating he too is looking for more information and will vote for this.

Councilor Curcuru also noted he is in favor of this.

MOTION: On motion by Councilor Hardy, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council the following Loan Order:

Ordered: That up to One Million Five Hundred Thousand Dollars (\$1,500,000.00) be appropriated to pay for the taking of a parcel of land commonly known as I4-C2, with a legal description as follows: a certain parcel of land situated in Gloucester, Essex County, Massachusetts, and being shown as Lot 1 on Gloucester Assessor's Map 9. For title reference, see Deed recorded at the Essex South District Registry of Deeds in Book 8419, Page 78. This land shall be used for downtown revitalization and economic development purposes. To meet this appropriation the City has accepted a grant from the Seaport Advisory Council in the amount of Eight Hundred Thousand Dollars (\$800,000.00), and the City Treasurer, with the approval of the Mayor, is authorized to borrow up to the sum of Seven Hundred Thousand Dollars (\$700,000.00) under and pursuant to Chapter 44, Section 7(3) of the General Laws, or pursuant to any other enabling authority, and to issue bonds or notes of the City therefore, which bonds or notes shall be general obligations of the City. That the Treasurer be authorized to file an application with the appropriate officials of The Commonwealth of Massachusetts (the "Commonwealth") to qualify under Chapter 44A of the General Laws any and all bonds of the City authorized by this Council as of the date of the final City Council vote, and to provide such information and execute such documents as such officials of the Commonwealth may require in connection therewith. Additionally, the Mayor is hereby authorized to take any other actions necessary to carry out this project AND FURTHER ADVERTISE FOR PUBLIC HEARING.

3. *Memo from Police Chief re: Acceptance of \$2,700 grant from Southern Essex County Shannon*

Grant

Chief Lane stated that this grant had been awarded by the Metropolitan Area Planning Council through the Southern Essex County Shannon Grant initiative for \$2,700.00, far from the \$10,000.00 received last year. If the City accepts the grant, they are required to supply a 25% match of approximately \$660.00 which will come out of their operating budget. The initial grant application is done by Chief Paul Tucker of the Salem Police Department, who is the regional administrator of the grant. These funds are to be used to supplement the Gloucester Police Department's (GPD) commitment to provide a School Resource Officer to the Middle and High Schools on an 'as can' basis. The Chief felt this is valuable work being done and is well received by the schools. In addition, it may allow for regional law enforcement. For these reasons he urged the B&F Committee to allow for the grant to be accepted which had been awarded to the Gloucester Police Department for the past two years.

Councilor Hardy asked if the School Department contributes to this.

Chief Lane has asked them to put that in their budget but no, they have not; and there hasn't been any talk of a match. He noted he has asked about that informally, and they say they don't have the money out of what they had for FY10.

Councilor Hardy asked if there is anyplace else that would be more advantageous to the City to utilize these funds overall.

Chief Lane responded this is an important placement; and the school resource officer is needed and effective and is the best use of the money. He's busy from the moment he arrives to the moment he leaves. This is not just in arrests, but in terms of referrals for DYS, mental health agencies, parent/child conferences. It is the best use of the money.

Councilor Hardy followed up asking how the Chief would schedule this so it would be best used or would the School Department be the one to schedule.

Chief Lane responded if he has enough officers on (four), he can tell Officer Duffany to go to the schools. If they don't, Officer Duffany may come and say he has a lot of things going on at the school; even though they may be at four, he will make that determination and tell Officer Duffany to go and hire to replace him if they can and back fill positions (not people).

Councilor Curcuru asked about the match being taken from the Department's budget.

Chief Lane stated it's an actual expenditure out of monies. It will come out of the operating budget. The \$660.00 is probably two, two and one half shifts. He clarified that the school resource officer is Scott Duffany. He has established a good rapport with the students, the administration and the teachers. The total will be \$3,360.00, a lot less than he'd like.

MOTION: On motion by Councilor McGeary, seconded by Councilor Hardy, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council to accept a grant of \$2,700.00 from the Southern Essex County Shannon Grant Initiative.

4. Special Budgetary Request Transfer 10-SBT-025 from Auditor's Office

Ms. Richardson stated this is to transfer monies that were a surplus in dues and subscription to cover a training she went attended this month. She has already paid these expenses out of pocket and the Auditor's Department doesn't have a travel account. She hasn't submitted for the reimbursement and needs to transfer from the Auditor's office to the Mayor's office.

MOTION: On motion by Councilor Hardy, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council to grant the Special Budgetary Transfer Request #10-SBT-025 for \$470.00 from Auditor, Dues & Subscriptions, Unifund

Account #101000.10.135.57300.0000.00.000.00.057 to Mayor, In-State Travel, Unifund Account #101000.10.121.57100.0000.00.000.00.057.

5. Memorandum from Senior Project Manager re: Federal Land and Water Conservation

Ms. Garcia, stated that this is a memo from Steven Winslow, Senior Project Manager of Community Development Department (on file) seeking permission to apply for a Federal Land and Water Conservation Fund grant of \$150,000.00 to fund focused recreational, accessibility and public safety improvements at Burnham's Field. This application for the grant is a direct result of putting together a draft open space and recreation plan for the first time in nearly 15 years plan and is being heard tonight at the Friends Room of the Library. The grant requires a \$150,000.00 match from the City which could be funded over the course of two years with Community Development Block Grant funds. Part of the Open Space and Recreation study was also on the recreation spaces of the City, long neglected, particularly the needs of the inner City. This is a welcome potential source of fund infusion into this space. She noted the approximate budget attached [to the memo] would include hiring someone to do the design the improvements. Should the grant be awarded, it is envisioned neighborhood meetings will be held in a way it suits the neighborhood. The idea to improve Burnham's Field came through numerous letters in the paper about the state of Burnham's Field; the vandalism, the trash. This is an attempt to have the City start to manage and improve it and make it safer and more pleasant for the neighborhood. As part of the grant, there is an initial public meeting that has to be held as part of the Open Space and Recreation Draft Plan Meeting this evening. Mr. Winslow is also hosting comment on this Burnham's Field application. A volunteer from the Committee posted flyers to the neighborhood so that people would know about it. It is wonderful that they can match it with CDBG funds. One of the reasons the City wanted an Open Spaces and Recreation Plan wasn't just to re-establish the City's commitment to its beautiful spaces, but to also start getting the funding to do some of the management and improvements everyone wants to see.

Councilor Hardy asked if the Clean City Commission is still active Commission.

Ms. Garcia stated they haven't been active as a Commission, but the Committee members have remained active within different venues. Patty Amaral, who was a prime mover there, has been going to the Open Spaces meetings over the past couple of months.

Councilor Hardy asked if Ms. Amaral is on board with what is happening with the Open Spaces and Recreation Plan

Ms. Garcia responded that Ms. Amaral is very excited about it. John McElhenny, a newly confirmed member of the Open Space and Recreation Committee and lives in the neighborhood with his young family, is keeping the neighborhood involved in any plans.

Councilor Hardy asked for a periodic update to the City Council as to the progress on Burnham's Field.

Ms. Garcia stated she would convey this request to Mr. Winslow. She noted Councilor Mulcahey has been asked for a letter of support for the field, and since the beginning has expressed concerns for security issues at the field, which are partially being addressed in the grant, and believed she was attending the Open Spaces meeting at the Library that evening.

Councilor McGeary asked about the timeline for the grant.

Ms. Garcia responded the grant has to be in on March 31, 2010; and they expect to hear about the grant awarding on June 30th.

Councilor McGeary stated that even though he represented Ward 1, when he walked to City Hall he's walked through Burnham's Field noting when kept up it is a pleasant space in an urban neighborhood and would like to see it improved.

Councilor Curcuru asked with this being a matching grant and the funds coming from CDGB, what will it displace. That isn't money usually set aside for this particular thing.

Ms. Garcia noted they've always had a public facilities section, but the idea was having some amount in for public facilities, between the \$50,000.00 to \$100,000.00 range being appropriate; especially as they start to do the Mass in Motion initiative going on for the year, which will kick off on May 1st event in City Hall with the various partners. The idea is making Gloucester a 'fit friendly' community; making an easier place to get around and be healthier in. A piece of that is how we walk around our neighborhoods. Part of this came up on the ARA funding, about \$200,000.00 came into the CDBG and that was used for sidewalk improvements on Centennial [Avenue] and some of the other streets in the neighborhood that are low income and moderate eligible. As to what it displaces, she thought it might be housing rehab is being brought down slowly each year, kind of a base level left in there, with more money being programmed towards economic development and more money towards public facilities which would include this sort of operation.

Councilor Curcuru noted it seemed that in tough times like this, while he understands that economic development brings jobs, home modification and housing rehab, citizens of the City need money too and he was concerned that too much money may be taken away from that.

Ms. Garcia responded they've always loved the home rehab program because \$10,000.00 at a time helps people when they really need it. She believed several hundred thousand dollars are being left in there. In addition to that, there's a \$100,000.00 that comes through the home funds every year in their first-time homebuyer's program; so they are spending on housing.

Councilor Curcuru noted they're hiring someone in conjunction with the grant and asked for clarification.

Ms. Garcia stated it would be to design the work that's going to be done. She brought it up with the project manager because if there is a way to do it in-house, they will. They would probably have to do it since it requires a monetary in-kind, it would be using the staff she had. Right now she has several part time people she'd like to help them out if there was a way to do that through grants. If that's a possibility to do that under the grant, they could still get the expertise they need. If we need new play equipment, if the specs can be had from other restoration projects, they will use them, like from Cripple Cove or the Fort. It is making sure they meet ADA requirements; and those are the kids of things they can't expect the in house staff to be able to do. It will be a balancing of outside help with in-house staff. The more they can do in-house, the more it leverages their ability to get other things for the City.

Councilor Curcuru wanted Ms. Garcia to let them know what they do with that regard. He didn't want a lot of these monies to be eaten up by outside resources.

Ms. Garcia responded that when she came back to the Committee for grant acceptance she should be able to have those answers for them.

Councilor Hardy noted Burnham's field is one of the biggest and most frequently used fields and asked if there are restrooms/comfort stations at that location.

Mr. Cole confirmed there were none. Some of the leagues and the high school bring in a port-a-potty unit for their season, but that's it.

Councilor Hardy related she's heard a lot of people throughout the community through the years look for comfort stations to be permanent here. They want rest room facilities on the Boulevard and in other places that are easily accessible. She hoped that it was within the realm of possibility in this grant or in upcoming grants that these facilities could be added. People in the community want permanent restroom facilities on or near the Boulevard, someplace they can use. She knew the Mayor wants to do a lot with the harbor, and knows that this will facilitate a lot of people coming into the community, and they have needs.

Ms. Garcia agreed it was a very timely comment.

Councilor McGeary noted that she had one security camera in the proposal for a six acre parcel. There have been problems with vandalism.

Ms. Garcia stated she has talked with Mr. Winslow, who is spearheading this effort, is a capable and experienced staff member on issues like this. He's hoping through these improvements that as they make access around and through Burnham's Field, that both police patrols are more effective and that as the park is used more effectively that it will help to keep down vandalism, as opposed to creating a more fortress-like situation. That could easily change through neighborhood meetings. It is something that can be worked out communally.

Councilor Hardy stated because it is a match, it needs to be approved City Council during Committee Reports and asked Ms. Garcia to attend the next City Council meeting of March 30, 2010.

MOTION: On motion by Councilor McGeary, seconded by Councilor Hardy, the Budget & Finance Committee voted 3 in favor, 0 opposed recommend to the City Council to permit the Community Development Department to pursue the Federal Land and Water Conservation Fund Grant in the amount of \$150,000.00 for the purpose of the rehabilitation of Burnham's Field.

6. Memorandum from Senior Project Manager re: Clean Air & Mobility Grant to Address

Gloucester's Summer Traffic Congestion

Ms. Garcia stated the Community Development and Public Works Departments are seeking permission to apply for a grant from the Clean Air & Mobility Grant program, an innovative program of the Boston Metropolitan Planning Organization for \$200,000.00. Mr. Winslow met with Mr. Kareem Howard of VehicleSense and with Mark Cole and Mike Hale of the DPW. This would put transponders in vehicles that would actually work at the beaches. The grant requires a 20% (\$40,000.00) match from the City which they believe can be provided through improved revenue collections from summer beach parking. Ms. Garcia

described the funding organization, noting a grant proposal deadline of April 1, 2010. She also described the proposal for the Summer Mobility Management program and their overall goals to reduce traffic congesting at and heading to popular Cape Ann beaches by tracking and providing real-time information about the availability of parking at these beaches through signage at the rotaries when beaches are full, directing them to other City beaches that may still have parking availability. It also includes planning for a bike lane from Stage Fort Park, along the Boulevard into town. The idea was in the future it could incur some economic development, like bicycle rentals or Pedi-cabs. They looked at doing the bike lane first, as it was felt to be more realistic at this time.

Kareem Howard of VehicleSense noted the focus of the grant is on clean air and mobility. It is incorporating the fast lane into the parking transaction that's taking place to move people into the beach parking faster. The second part is by counting vehicles that are in the parking lot, you can direct people, say, from Good Harbor to other beaches. It stops them from coming into the City; finding out Good Harbor is full and then making their way to another beach location, the hunt and peck method until you find an open location which increases congestion. From an air quality piece, they're also involving Harvard School of Public Health to do air quality measurements before and after, hopefully this summer to get a baseline reading to say, this is the congestion that is going on and here are the emissions from these vehicles and then do an after study to figure what works and what doesn't. Part of this is to measure how long it takes people to go from Rt. 128 into the beaches. If you put a sign at the first rotary, and you say, "Beaches Now Full", do people stop going to the beaches or do they continue going. If you change the sign, what benefits do you get from that congestion? If you have an automated system, you can tweak the verbiage on the sign and see if that better suits the conditions, or moving the signs to better locations, etc. It is trying to see how best to mitigate the situation.

Mr. Cole noted the way it will benefit the DPW allowing them to operate the parking lots more efficiently. They can tell you how many non-paying customers have come in but unless they actually go out and do a physical count, they can't say how many cars are in the lot. This program will put a counter at the entrances and exits of each of the 3 lots and give a real time count at any point in the day. One of the things is part of the message is how many signs are left at the beach parking lots. They could put on the signage messages that get more specific such as "20 spaces available at Good Harbor Beach". They could look at different ways to convert people to going to Stage Fort Park, other than just word of mouth at the booths. He gave the Committee different scenarios of the language that could be used on the signs to help divert traffic. He likes the idea of the transponder because it will eliminate a good deal of the cash handling at the booths. It will get cars in and out faster because you don't have to stop and complete a physical transaction. Attendants will be spending more time in the lots. That has helped eliminate some of the parking problems in the lots themselves. There will be audits they can have them do such as for stickers that don't match, and getting the cars in and as close as they can to create more spaces available.

Councilor Curcuru asked if they used the transponders, does it cost the City any money. He felt sure that VehicleSense takes a percentage.

Mr. Howard responded yes, there is a percentage. All the transponders are backed by a credit card, so part of the fee is to pick up the credit card. Every transaction is 60 cents.

Councilor Curcuru stated then it will cost the City, but it will add up to quite a bit by the end of the season.

Mr. Howard responded that any place that they've done installations there's been an increase in the overall revenues because lot efficiency goes up because you're moving people in faster.

Councilor Curcuru responded most of the people who go to the beaches stay there for 5 or 6 hours.

Mr. Cole noted there is a fair amount of turnover, more than you think. A lot of people get there at 8:00 a.m. and leave at noon with others arriving after lunch and leaving much later. It is both paying customers and residents. If they fill a lot by noon, usually between 12 noon and 1 p.m. cars start to leave, and now they can allow more cars in. He couldn't say exactly who is leaving because that's not monitored. They look for the empty spaces, and try to get a count on them.

Councilor Curcuru appreciated that less cash is being handled; and Mr. Cole agreed that is an advantage.

Councilor Hardy asked about the transponder and asked for a further explanation.

Mr. Howard stated it is the same as the fast lane transponder used at the tolls.

Ms. Garcia noted that is the same transponder used on the toll roads. You put it in the center of your windshield, which is purchased for a set amount of dollars, say \$50.00 for example, on a credit card. So if you use the fast lane, when you go through you slow down; if there is money on the transponder, it will blink green, indicating for you to continue through. If you're low on your account it blinks yellow at you indicating you to put more money in your account. These are they same transponders that the State gives out, the same system. As part of this grant, VehicleSense has five lots in the City of Boston and the Cranes Beach lots in Ipswich that would all like to use transponders. Mr. Howard and Mr. Winslow it would be that it could be put all together. We could have it split out that our own lots be split out or maybe it could be done jointly because the same people are driving into Boston to park in these parking lots, and they might be the people coming out to use our beaches. She thought they could have it broken out to so the City of Gloucester has just its own lots done. Or they can do it as a joint application with Boston and Cranes Beach. Boston is a bit further away and more of an unknown to her. It can go either way. She wants the grant to be stronger, but would rather be managing it just for Gloucester.

Councilor Hardy asked hypothetically about the transponder on her car, and she has a sticker, how will it know the difference.

Mr. Howard stated they've been talking about implementation. People could have the option to register their existing fast lane transponder if they're a resident, connecting it to their beach parking sticker, which would be for next year so there is plenty of time to work out any issues. Additional services could be offered; if you want to do parking reservation for the beach for residents or non-residents, there could be an extra fee for this. This is just being talked about and can be done. Does it know if I'm a resident or not? You have to register your license plate when you get your transponder. That can be matched with any records the City has.

Councilor Hardy cautioned that there are trustees of properties who live in another state who live here in the summer as a complicating factor.

Mr. Cole added the sticker is registered to the vehicle. There is a way that the resident can come in with the transponder and the sticker, and it will register that this person is a resident. They will still look for the sticker. If you are a resident and you have a transponder, you still need to get your sticker or you're going to be charged every time you come in. Once you get a resident sticker, or non-resident sticker, they would have to register that with the system so it knows not to charge that car with a transponder on it.

Councilor Hardy followed up by stating we would have input who is going to be charged and who's not going to be charged.

Mr. Cole responded that if you come through the lot, and you have the resident sticker, the transponder will recognize that you have the resident sticker and not charge your account. If you come through and don't have

a resident sticker, it's going to charge your account whether you are a resident or non-resident. It has the potential to work. He was sure there were bugs that will have to be worked out. What he liked the most about it is that it comes with the signage they've been looking for, for years.

Councilor Hardy asked how this would speed up the lines of cars.

Mr. Cole stated that if he were a non-resident and he was to go to Good Harbor Beach, he has to stop, give you money, and you give me a ticket. If I give you correct change, I move off into the parking lot. If not, I have to give you change and then I move off into the lot. You can see cars with transponders – it's in plain sight. Under the new system, they'll come in, driving through slowly, they'll see the flashing light; green, yellow, or red light; they can go through; otherwise they pay their admission. Every non-resident has to pay and stop at that booth now for a transaction that has to take place. With the transponder, they drive through slowly and continue on to park.

Councilor Curcuru noted transponders can go car to car. Hypothetically, what prevents someone from taking it from a resident car and putting it on another car, lending it out? How do you tell the difference? You're not going to be looking for that sticker. If he figured it out, someone else would too.

Mr. Cole admitted they wouldn't be able to tell the difference. Mr. Howard also stated people do play games with parking, to begin with – any time you charge more than a dollar, games get played. There are periodic audits that can be run. The transponder does come with a fixed license plate that the transponder is registered for, and you can do audits based off of license plate numbers. If you pull in with a transponder and it's supposed to be license plate #123456 and you have license plate #ABCDEF, you're not registered with that one.

Councilor Curcuru understood what Mr. Cole and Mr. Howard were saying but asked if the system has a camera to take a picture of the license plate. There's no physical evidence otherwise.

Mr. Howard stated yes they can take a picture of the license plate if it turns out to be a problem. It depends on the lot, that particular location to see what games people are playing.

Councilor Hardy asked who would address it and how soon if you saw a situation like this happening.

Mr. Cole stated he didn't know how the system would work, and couldn't address that at that moment. If it shows up at the booth, they could address it right then and there. If someone presented with someone else's transponder, it should show up in the booth that it doesn't match, so then they would go after them at that point.

Councilor Hardy asked if there was a match to the grant.

Ms. Garcia stated the match is covered by VehicleSense from their expected revenue from their percentage of the transponder credit card transactions. As the revenues come in they get 3% , and there is a \$40,000.00 which comes of that beach revenue transaction.

Mr. Howard stated they are covering the match, as well as some of their partner institutions they are working with. There is 20% match which is required. If you do a public/private partnership, they look for something a bit higher. They are looking at 30%-35% of the total project costs.

Ms. Garcia reminded the Committee that the grant is for \$200,000.00 with Mr. Howard adding that it is a minimum of a 20% match, but they typically look for a higher match.

Councilor Hardy expressed confusion as to the actual match percentage.

Mr. Howard stated that the minimum is 20%. VehicleSense is covering the complete match. They are providing more of a match than the grant requires.

Councilor Hardy asked why they would do that.

Mr. Howard responded they were getting a transaction fee for each of the parking events, so it's not absolutely nothing.

Councilor Curcuru stated you're going to do the match, and your take on the whole thing is 60 cents on every transaction with the transponder, based on \$20.00.

Mr. Howard responded yes; they're paying up front, then it comes out in the long term. It's 3% for parking transactions. They're proposing 4%. Most of this goes back to Mass DOT.

Councilor McGeary stated because this is a credit card transaction, there is a credit card fee; and over and above that credit card fee, you're getting 4%.

Mr. Howard stated the credit card fee is part of the 4%

Councilor McGeary made an observation that if they were going to place signage on Rt. 128, that it ought to be further up, like before Exit 14 so potential visitors to the beaches could make a decision at that point. He asked if Mr. Cole envisioned a separate entry lane for the fast lane people to try and keep vehicles moving or would everyone go in the same line.

Mr. Cole stated he didn't know. There is room at Wingersheek for cars to come side by side but the problem is there is no room on the road. When you get to the main gate he didn't know if you could have two cars abreast. The biggest thing they're looking for would be just to keep the vehicles moving into the at a better rate. He spoke to the possibilities at the other venues. It is something they'd have to look at and measure.

Councilor McGeary asked if this would take the EasyPass from out of state vehicles.

Mr. Howard stated no.

Councilor Curcuru hoped Mr. Howard would be there Tuesday evening to answer questions.

Ms. Garcia didn't have all the answers; and Mr. Winslow wouldn't be available due to a family emergency. There is an application deadline of April 1.

Councilor Curcuru stated if they do go forward can they choose how they can spend the money.

Ms. Garcia stated they wouldn't hear until mid summer and then implement it next summer so there would be a lot of planning time. Is this tying us into a contractual situation? We don't have to accept the grant. Beaches are a huge issue for the City.

Councilor Curcuru noted there is no real course of action for this summer.

Ms. Garcia stated yes that is correct.

Councilor Curcuru wanted to see something done this summer and wanted signs.

Councilor McGeary asked if we could get signs from the State DPW.

Mr. Cole said they'd have to rent or buy the signs.

Mr. Anderson stated the problem is we lost \$200,000.00 one summer because there was no accountability and no statistics at the beaches. Other beaches have put in a counter at their booths and have cameras at the booths to scan a bar code. The problem you can't have any person handling that much money with no accountability. If some accountability here helps in lessening the handling of cash and you can know how many cars go through and you then fill in a report at the end of the day. Almost every single beach has some kind of accountability except for the City of Gloucester. For investing a little bit of money it is very simple to do. The system doesn't work. It's not fair or equitable. To invest \$5,000.00 at each one of our locations and to have the accountability and it will pay for itself the very first year. This is good technology but the simple thing is to invest as soon as possible at automating so we know what comes in and how much comes in.

Mr. Grace, 75 Holly Street noted that when his father was Mayor, he investigated this very thing and took movies. The FBI came in and sent a fellow to jail.

Councilor McGeary expressed they need to come with a solution on Tuesday night about switching out transponders.

Councilor Hardy asked about the signs – are they here for the season only or do they get to use them year round.

Mr. Howard stated it's cheaper if they're only rented for the season. This is the total budget for the project.

Councilor Curcuru asked how this is figured in if you're renting these signs yearly and did a separate grant need to be applied for just for the signage.

Mr. Howard stated the signs are part of the project.

Ms. Garcia assured the Committee they'll have an answer before Tuesday night. She apologized because she's not been included in any of these conversations. It seems such a worthwhile thing to be worked on. We wouldn't accept a grant until it's all been worked out. We'd know mid-summer. She will sit down with Mr. Winslow and do a final budget on it when he returns on Wednesday. This has been the last one Mr. Winslow has worked on and unfortunately he did have a family emergency.

Councilor Hardy noted the memo is dated early March.

Ms. Garcia stated there is a long lead time for applying for grants, but is important for your review while they're in the germinating stages.

Councilor Hardy read the first paragraph of the memo aloud, "...to address summer time traffic congestion through a combination of information technology and youth jobs.... and asked where the element of youth jobs is in this grant.

Ms. Garcia noted the youth jobs were related for the Pedi-cabs, and that was premature. It would be too fast for them as a City. They pulled that portion, and went for the bike lanes but not for the Pedi-cabs. So the youth jobs would be in the future.

Councilor Hardy stated that this is part of the problem with this entire grant and asked for an amended memo for the Council on Tuesday.

Ms. Garcia responded she should have edited it to read not for youth jobs but “for economic development access to the downtown. They’ve spoken of using Stage Fort Park as a better staging area for access to the downtown in the summer months, whether it is by water or by shuttles, a bike lane, Pedi-cabs, etc.

Councilor Hardy seconded the motion with the understanding that if she doesn’t get the information they’re looking for to the stating she may not be voting affirmatively for it at Council.

Councilor Curcuro expressed confused on a variety of issues related to the grant, as he felt his fellow Committee members were. He will vote for it this evening, but will be scrutinizing the information more carefully when it comes before the Council for grant acceptance.

MOTION: On motion by Councilor McGeary, seconded by Councilor Hardy, the Budget & Finance Committee voted 3 in favor 0 opposed to permit the Community Development and Public Works Departments to pursue the Clean Air & Mobility Grant of \$200,000.00 for a Summer Mobility Management program.

7. Report from City Auditor re: Accounts Having Expenditures Which Exceed their Appropriations

Mary Richardson reviewed the report with the Committee. Having some concerns with the Fire Department deficits, the Committee wished to continue that portion of the discussion when the Chief Dench is present to be able to participate in that conversation.

8. Update from CFO/Treasurer’s Office on FY10 Budget

None.

9. Other Business

None.

It was motioned, seconded and voted unanimously to adjourn at 9:40 p.m.

Respectfully submitted,

Dana Jorgensson

Clerk of Committees