

CITY COUNCIL STANDING COMMITTEE

Budget & Finance

Tuesday, April 6, 2010 – 5:30 p.m.

Council Conference Room – 1st Fl., City Hall

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

Absent: None

Also Present: Councilor Ciolino; Jim Duggan; Jeff Towne; Michael Hale; Mary Richardson; Max Schenk; Fire Chief Phil Dench; Sander Schultz; David Anderson

The meeting was called to order at 5:32 p.m. Items were taken out of order.

1. *Unfinished Business*

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

Councilor Curcuru explained the 3 options of leaving the rate, debt shift or to roll it into a stormwater management fee.

Mr. Towne noted last year they drafted a sample storm water management ordinance and then started working on the storm water enterprise fund to fund the CSO debt and the costs associated with it

Councilor Curcuru noted at that time there was a great deal of confusion on the matter. When it goes to full council it might be a good idea to explain this all again.

Mr. Towne stated he will put together in simplified language which explains what storm water is and why there is a need to treat it differently from sewerage treatment which is a good read for the Council to familiarize themselves with the issue. The CSO was designed to do just that. We would eliminate heavy rains getting into our sewer system which causes pollution. There is an EPA guideline explains it. He will provide the EPA mandate and what it means to separate it out.

Councilor Curcuru asked if this could go on the P&D agenda for their information. If we understand this before it goes to the Council it would help when this comes before the Council. This hasn't been referred to us yet.

We're just having these discussions in Committee. What's in front of us is the on-going discussion because we don't have a final draft of what will be done.

Mr. Duggan drafted a memo for the Council and that they convened specific City personnel and the Chair of B&F and O&A to look at the whole scenario. It's on the agenda as a placeholder and an on-going discussion. For the April 27th meeting the debt exclusion will be before the Committee. He believed that by going to P&D to educate them on the subject would likely be helpful.

Councilor Curcuru wanted to avoid confusion at Council so as not to see the issue fall apart. This is all about the debt shift.

Mr. Towne explained in order to do a proper storm water enterprise fund they have to identify the number of parcels it would apply to, and then break it down to an equivalent unit, or one billable unit. A single family would count as one unit; two-family could be one unit; three-family, one unit. Beyond that, properties would be considered commercial property. Then there was the discussion of what to do with non-profits, such as churches, educational foundations, museums, entities that don't get a property tax bill. That would be about 900 parcels in Gloucester that are considered tax-exempt entities. Then how do we look at the commercial/industrial properties within the City in order to assess them. Do we do it based on size of their building, square footage? Determine the lot size affected, paved with a building unit on it? Impervious surfaces, the improved lot area surfaces? We don't have a lot of that detail anywhere in the data base which would have to create all those accounts in the database. Right now they just have taxable units, non-taxable units; but nothing to do with impervious surfaces. Some we don't even have lot square footage of what's paved and unpaved. So all of that would have to be figured out as well. It could change daily, yearly; which means every time they would have to issue some type of permit meaning there would have to be an inspection following up to capture lots and structural changes. Then there'd be comparisons to see if it's fair, defensible, and justifiable however we set up that fee structure. Once those details are established an enterprise fund would work. Say we took the debt – what do we need to raise. Are we going to take the debt; are we going to set salaries; are we going to set capital items (such as a street sweeper); the permit fee, monitoring; catch basins. It's not just the lots; it's the budget as well. How much are we going to put in that fund? Then there's also the process of how do we actually bill somebody. Are we going to put it on the tax bill? No, we can't do that. Create a separate enterprise bill aside from the combined water and sewer bill which goes out quarterly? Probably not. But there will be more storm water customers than there will be water or sewer customers. Do we add to the database of the water and sewer and have a behind-the-scenes software check-off box, "bill only for stormwater"; "do not bill for water/sewer". Then the calculations come into effect as to what it is going to cost with regard to budget appropriations. How do we raise that by knowing the number of residential equivalent units and what do we price those at. Everything else has to come from industrial/commercial properties or we do it the other way. Here's a fair figure of equivalent units for everybody and just divide it by the number of equivalent units. Then there's the factor of what if you only collect 80% in the first year who's going to fund the deficit which DOR is going to make us raise. For FY11 we wouldn't put the debt shift on the tax bill until the third quarter which comes out in December 2011. Then you have all the accounting issues. Behind-the-scene software issues and changes we have to make for class code issues. They've really been looking at all the details and issues involved. As they've been going through this, the more and more they look at it, they come up with more questions; for instance, are there any exemptions to this. They've not got into that yet, if someone say's, 'this isn't fair'. Then there are adjudication issues as well. As they're getting closer to the timeframe, he and Mike Wells, IT Director; Nancy Papows, Principal Assessor; and Mike Hale, DPW Director along with Jim Duggan looked at the whole process. This is going to be a very large project. This makes CPA look small and very easy in comparison. Coming up with the budget part is the easiest part.

Councilor Curcuru asked him to explain the advantages of going to the debt shift.

Mr. Towne continued that the more they analyzed both, the harder they began to look at the debt shift. The looming problem is the debt for all the CSO loan authorizations presently representing about 22% of the sewer rate. If they did nothing, estimating FY11 if the appropriations stayed the same for the operation, that would drive the rate up from \$12.90 to an estimate of \$13.90. He didn't up the estimated rate yet for the sewer treatment plant because that's going to be short term for FY11. That will kick into the rate calculation for debt in FY12. With the debt that's going to roll to long term we're going from a \$12.90 rate, just CSO related increases, to an estimate of \$13.90 for the sewer rate.

Mr. Duggan interjected that \$1.750 million, directly attributable to the CSO project, is what is rolling to FY11, would drive the \$12.90 to \$13.90.

Mr. Towne continued that the amount we would be paying in FY11 would be \$1.750 million related to the CSO project. If we pulled it out, for instance, and did the debt shift, the sewer rate would be around \$10.55 to \$10.60, instead of going to \$13.90.

Councilor Hardy noted that the difference would go on the tax rate which is tax deductible to the homeowner which is an advantage.

Mr. Towne stated the enterprise fund would not be.

Mr. Duggan added in FY12 if we continue not to do anything, it could potentially go up to \$15.00.

Mr. Towne noted Mr. Hale stated in a previous meeting that the recently approved \$7 million loan authorization for CSO debt service could help reduce future CSO additional work depending on what the results are when this phase is completed. That is why he reprioritized that work.

Councilor Curcuru noted the stormwater management fee is not tax deductible. Further, there's one disadvantage high property tax, low income. Low water users don't benefit from this; high water users benefit tremendously. There has to be a trade off, but it depends on who you are.

Mr. Towne responded that the concept remains that like fire and police services are run for the benefit of all of Gloucester's citizens – even if you never require their services. CSO affects the entire community whether you are on water and sewer, or whether you live on the outskirts. It should be a benefit to everybody. It is still to your benefit to have that service available to you.

Councilor Curcuru stated the other advantage is to get this done now before we set the water and sewer rates.

Councilor Hardy inquired if that timeframe was 'doable'.

Mr. Towne stated it is doable to set the debt shift exclusion. Your FY11 first and second quarter tax bills are half of your FY10 total. So, for example, if your tax bill is \$5,000.00 in FY10, your first quarter is going to be \$1,250.00 and your second quarter is going to be \$1,250.00. It's the full amount of the previous year's tax bill divided by two and then that is divided into two quarters. So it's really divided by four. Real tax kicks in on the 3rd quarter. So this will not kick in until the third and fourth quarter. If we look at this figure under the \$500,000 for a home (referencing on file), there's \$1.750 million being debt shifted of \$165.00. That's divided into two quarters. So you'll have \$82.50, for instance, on the third quarter and \$82.50 in the fourth quarter. In FY12 you will have the cost evenly distributed over four quarters. So it is back end loaded in the first year.

Councilor McGeary asked if we have to go to the voters to enact an override for debt exclusion.

Mr. Towne responded this doesn't have anything to do with Proposition 2-1/2. It is over 2-1/2 but debt exclusion is a majority vote of the City Council. So you will raise this above and beyond the 2-1/2 on the tax rate recap.

Councilor Curcuru stated a public hearing on the matter has already taken place in the prior Council. At that public hearing no vote was taken by the Council.

Mr. Towne stated that converts to 33 cent tax on the residential rate; and if you kept the 1.06 for the shift for commercial/industrial properties it will be 35 cents per thousand.

Councilor Curcuru stated if we wait we'd have to roll all CSO debt and a percentage of salaries, 20% for the Sewer Department plus the permit fees and plus even more. The quarterly fee could be tremendous, and you can't deduct it on your taxes.

Councilor McGeary stated if Mr. Hale's dream doesn't come true and the federal government comes in and says you have to do all of the sections of the stormwater management, would have to redo it every year.

Mr. Towne stated you vote one time; and you can vote a dollar amount or you can vote a percentage. He recommended voting a percentage; of saying it's 100% of the CSO-related debt. You may say current CSO debt that's existing – the loan authorizations for CSO that's now- that could be your vote. Or you could say 100% of all CSO debt. That would be hard to do though. He would say 100% of the existing loan authorization associated with the CSO project. That way you know that you've approved \$34 million up to this date and there's associated debt principal and interest payments associated with this loan authorizations. You could do your loan authorizations and debt shift exclusion in that next vote, for instance.

Councilor Curcuru noted that you still have to vote on the loan authorization. It's how you're going to apply it to the debt shift.

Councilor McGeary stated this would result in a net decrease in the sewer rate.

Councilor Curcuru stated if we don't do this we'll get hit twice with the sewer rate which is going to go back up next year. We're going to get hit either way. Next year the sewer rate is going to go up anyway. The voters are going to say, 'they took it away from us, they put it on our taxes and now the sewer rate is going to go back up.

Councilor Hardy felt when this matter is discussed; the voters need to be educated as to exactly what it is. They'll see the decrease this year, but you're going to see an increase next year; but not nearly what it would have been if we kept it the way it is. Regarding the CSO debt, we need to define what we're going to allow in that CSO debt. It is just debt.

Mr. Towne responded you can't transfer operating costs.

Councilor Hardy asked if they're going to be able to charge off street sweepers to the debt.

Councilor Curcuru stated that would be charged off to the stormwater water management fees are where you pay for the street sweepers. Then they got street sweepers and that was going to go to CSO.

Mr. Towne stated they'll do it by loan authorization numbers and what it relates to.

Councilor Hardy asked have we taken anything that is improper.

Councilor Curcuru stated this gives relief to the rate payers.

Councilor McGeary noted that real estate taxes are deductible and that by changing (DPW's reprioritizing) the project that this cost may come in lower.

Mr. Anderson asked if you do this and is based on the assumption that Mr. Hale can 'sell' his story of cutting down on the flow, do we have to go back.

Mr. Towne responded if we did another loan authorization then you'd have to decide where you're going to pay for this with debt shift or with something else.

Councilor Curcuru stated it will be the will of the Council and will it be done in the next two years.

Mr. Towne stated the exclusion stays in place. It's only if a future council says they want to change this. It's all gone in 20 years and comes off the tax rate.

Councilor McGeary asked how does this relate to Prop 2-1/2.

Mr. Towne stated it is above and beyond that.

Councilor Hardy asked about the stormwater management plan.

Mr. Duggan stated that will be into the fall.

Councilor McGeary asked if it may be appropriate to hire someone to get a project plan detailed.

Councilor Curcuru stated there's only one other community doing a CSO project at this time. This project planning is going to be a long process and won't be done overnight.

Councilor McGeary it sounds daunting but not impossible.

Mr. Towne stated it may be helpful to look at it so as to promote economic development – to keep businesses who use high water volume in the City; all the enterprise fund rates.

Mr. Anderson noted that Gorton's is a huge company, and we could force them to move out. Their corporate management doesn't have an affinity to Gloucester. Cape Pond Ice has lost six boats to Boston because of their cost to produce ice. At some point the City Council has to look to give them a break to keep those companies here. You have to look at the overall picture.

Mr. Towne agreed and stated you do have to look at the potential jobs lost, etc, the whole picture.

The Committee then discussed with Mr. Towne and Mr. Duggan an article that appeared in the Gloucester Daily Times entitled, "City Gets Money for Water Repairs" (on file).

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

(Continued from 03/25/2010)

Councilor Curcuru noted the information that was need to complete this matter for the Budget & Finance Committee was in place and that the motion as shown below voted by the Committee at the February 18, 2010 meeting.

Mr. Duggan stated the Committee had needed more information on the transfer. The documentation is now complete.

The following motion will now be brought forward to the City Council under Committee Report as shown below:

MOTION: On motion by Councilor Hardy, seconded by Councilor McGeary, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council the approval of Special Budgetary Transfer Request #10-20 for the transfer of funds in the amount of \$28,763.11 from the General Fund-Police Uniform, Unifund Account #101000.10.211.55800.0000.00.000.00.054 to Police-Uniform, Overtime E911, Unifund Account #101000.10.211.51320.0000.00.000.00.051.

C) “Friendly Eminent Domain Taking of Parcel Known as I4-C2 and loan authorization (Continued from 03/25/2010)

This matter is continued to April 22, 2010.

2. Special Budgetary Transfer Request #10-26 from Police Department

Mr. Duggan explained that this is before the Committee because the Police Department doesn’t have a travel account. Originally, all the expenses were supposed to be covered by a grant from the Sheriff’s department through the MAPC. It had expired when these expenses were incurred.

Councilor Hardy asked how far in advance did they know they would be going.

Mr. Duggan stated it was an open invitation and they were to let him know when they were going. This is a reimbursement for out-of-pocket expenses. The supporting paperwork is submitted (on file).

Councilor Hardy pointed out it appeared the City is paying taxes on these expenses.

Mr. Duggan responded while it appeared that taxes were paid, in fact, further documentation showed there was no tax paid and pointed it out to the Councilors.

Councilor McGeary asked if there is a better way to deal with City employees paying taxes.

Ms. Richardson stated there is a document that the Purchasing Department can provide for them to be exempt from paying taxes.

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 #10-26 of \$198.43 from Police Uniform, Replace Automobiles, Unifund Account #101000.10.211.58720.0000.00.000.00.058 to Mayor – Out of State, Unifund Account #101000.10.121.57200.0000.00.000.00.057.

3. Special Budgetary Transfer Request #10-SBT-27 from Fire Department

Fire Chief Dench stated he submitted a transfer on March 16th so that these funds will be covered for training.

Councilor Hardy asked about the detailed analysis on the submitted documentation.

Chief Dench explained these were for EMT trainings.

Councilor McGeary asked if this was related to contractual training which the Chief confirmed.

Chief Dench stated this was to cover a shortage in that account. But going forward there should be no more for the rest of the fiscal year.

Councilor McGeary asked if the account was used for all training.

Chief Dench responded it was set up in the contract for specific aspects of training which are: 1) Paramedic Training; 2) Department Training; 3) Fire Prevention; 4) Specialty training attended by individual firefighters. But there are other kinds of training as well.

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 #10-SBT-27 of \$5,000.00 from Fire Department Public Safety Program, Unifund Account #101000.10.220.53060.0000.00.000.00.052 to Fire Department, Overtime Training Expense, Unifund Account #101000.10.220.51315.0000.00.000.00.051.

4. Memo from DPW Director re: acceptance of a \$49,000.00 Grant from MassDEP for Water Loss

Prevention Program (#08-24/WCG)

Mr. Duggan explained this was a grant opportunity that will be spent in advance of June 30th for leak detection program by an independent company. There is no match at all. This will pay for this project completely along with project management and oversight through an independent consultant to manage the leak detection program. The detection process involves placing a sensor on the road which listens for the leaks. This is throughout the entire city done late at night over a three to four week period. There is a lot of water out there, and we're losing a lot of water that can't be sold.

Councilor Curcuru asked if there were any DPW workers involved.

Mr. Duggan stated no DPW workers will be involved. Once it is determined where the leaks are, an action plan will be made to tackle any leaks uncovered. It will be prioritized dependent upon the severity of the leak detected.

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 the acceptance of \$49,000.00 grant from MassDEP for Water Loss Prevention Program (#08-24/WCG).

5. Grant Application and Checklist from Health Dept. re: Grant from Mass EOEEA Division of Ecological Restoration Department of Fish and Game and U.S. Fish and Wildlife Service

Max Schenk of the Health Department explained the grant application is actually a non-application. They already have the grant. This is on the Mill Pond Tide Gate project. The installation of an additional tide gate is to alleviate the flooding at Babson because of all the fresh water that comes in. By letting the fresh water out and the salt water in, it helps significantly. It's a boon for shellfish. Water quality has improved significantly. Any shellfish seeding will go downstream. The assessment of the project was done; cost estimations done; and there was a last second addition by NOAA for safety equipment to be put in place – a stairway going down to the tide gate and a platform where it will open and close. The construction estimates by Louis Berger Group came in higher than the estimates originally considered by project partners (NOAA/NMFS, Mass Coastal Zone Management) The City couldn't come up with the extra money for it. Through a variety of contacts this grant was done; but it had to be committed right away. This is the back-end paperwork. There is a match of \$16,000.00. The safety equipment is the City's component. He believes these estimates are overblown. It's essentially \$32,000.00. Total project cost is \$67,000.00 with the gate and everything else. The gate is still awaiting installation. It's been held up because of time of year and all the initial designing, and approval process. An additional delay was caused by the wrong tide gate being designed into the project. Now we're at the point where we can say everything is approved and can work and can go forward.

Councilor Curcuru asked who this was in conjunction with.

Mr. Shenk responded it is with Mr. Hale's knowledge; and the DPW is a positive partner having been involved for quite sometime along with the Shellfish Constable and the Conservation Office. In kind cash and services of \$100,000.00 have been donated and the in-kind includes his time, approximately \$2,000.00 was spent by the DPW to perform a structural assessment of the culvert under Washington Street. So in terms of a cost/benefit analysis, for about \$18,000.00, they're getting \$100,000.00 in return.

Councilor McGeary stated it looks like there's something there now.

Mr. Shenk stated yes, that's correct; but this will be new and improved. This is a good interim step. They control the amount of water going in and out of the area. It will help prevent damage to property. The DPW will have control of this. There is an oversight committee being formed with the DPW and Conservation Commission. The idea is if there is a lot of water coming in from Babson, you keep the gate open at low tide. It is flood control. If you have a storm surge you can do the reverse. The Councilors discussed the conditions in the area, and that the roads do flood, but the flooding has been limited as of late.

Councilor Hardy noted there were houses on Raynard Street that have tough conditions as well and wanted to know if it helps with any of that.

Mr. Shenk stated the faster you get water out of there the better it is.

Councilor Hardy asked about the policy for regulation of the water.

Mr. Shenk stated right now the best practice is leaving the tide gate open. They have developed a full operations and maintenance program. If they need to change something there will be a committee who meet to do that.

Councilor Hardy stated her understanding is that Conservation Commission was requiring the phragmites be pulled by hand.

Mr. Shenk said the best way to deal with phragmites is to flood the invasive plants with salt water. Pulling by hand is near useless. Unless you kill it all off with chemicals, you can't really eradicate it. He would like to see how the salt water affects it first before they go the chemical route. Louis Berger Group, who is providing engineering services for the Mill Pond Tidegate project, will be working with them and will be supervised by the DPW. It all goes through the City Auditor's Office.

Councilor Hardy noted Mr. Shenk has assisted with the clean up of the area through his volunteer position with the Eight Towns and the Bay organization and volunteers a great deal of his time on it.

Mr. Shenk noted it is an appointed position. The City of Gloucester in 1996 joined this program for water quality in the great marsh ecosystem. A lot of work is for just such things like bringing back salt marsh areas, fewer chemicals in your lawn. The idea is local governance; and this organization covers from Rockport to Salisbury. They meet once a month. They're working with Congressman Tierney's office to get \$350,000 for a watershed study. Once that's done it opens up, through the USDA, the availability and possibility of \$190 million of construction monies.

Councilor McGeary stated this grant is a back filling situation.

Mr. Shenk agreed and that the money simply is awaiting this process to be completed and then will be released to the City.

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 the Health Department be given permission to pursue the grant application for the Priority Project – Restoration Implementation Grant from Mass EOEEA Division of Ecological Restoration - Department of Fish and Game and US Fish and Wildlife Services for \$16,000.00.

6. *Grant Application and Checklist from Fire Department. re: Assistance to Firefighters Grant from Depart. Of Homeland Security – FEMA*

Sander Schultz, EMS Coordinator, Gloucester Fire Department explained this is lumped in with the SAFER grant and others from FEMA. The grant application will be opened in the next week to two weeks. He reviewed the submitted document (on file). The monitor/defibrillators are portable units which are for monitoring via 12 leads. They're typically \$20,000.00 to \$25,000.00. Theirs are up to date and modern; we currently own three from Medtronic. The one purchased 2001, a Lifepak 12 is an older version and is monophasic; but biphasic is preferred. The monophasic needs to be taken out of service. The Fire Department needs to replace two out of three they currently have. Given the City's financial situation, it was timely to go for this grant. He has received positive feedback as to the possibility of the award, as advanced life support is a high priority for awarding this grant. He explained the difference between mechanical and manual compressions during a cardiac arrest (CPR). The latest large-scale set of data from the American Heart Association shows that manual compressions are good but mechanical compressions are better. The device delivers continuous compressions without break allowing for mean arterial pressure. You will not see any specific brand names in this narrative because it's not a brand specific grant. There will be some grant management for purchasing should the money be awarded to them. The time is right to buy these compression devices and the technology is proven. AED's are used by EMT Basics. These are similar to what you see at gyms, malls. They use professional version of AED's which are on every fire apparatus used in the City. The older ones need to be replaced. He hopes to replace some out of the regular budget also.

Councilor Curcuru asked about the training.

Mr. Schultz stated its part of the money applied for in total of \$98,164.00. In order to take this grant they are required to provide a 10% match. He would work to find money in the FY11 budget for the Fire Department for \$10,000.00 to make the match. Even if he gets approval, he would be required to come back, if awarded, for the acceptance and show the 10% match to the Committee. This grant could be here late summer, early fall. There's no question that this would have to come out of this year's fiscal budget.

Mr. Duggan felt this is a good use of the funds and the Administration will work with the Fire Department to fund this. They are going to put it in their budget. If the Fire Department doesn't hear it's awarded the money, they're still going to put it in their budget.

Chief Dench stated they use \$45.00 per hour for their figuring. It is an average.

Mr. Schultz noted on page two of the document showed the actual accurate breakdown. The draft is correct.

Councilor Hardy noted the blue tooth technology for heart attacks and asked if all cardiac patients go to Beverly Hospital.

Mr. Schultz described for the Councilor the differences in patients with cardiac issues. Some will go to Beverly Hospital and the blue tooth technology will reach Beverly Hospital. There are still technological issues to iron out, but this will work with their computers. The monitor will interact with all the technology and works. He explained some of the issues encountered and their process in the field by the paramedics. He noted their positive aggressive tactics in the field when treating cardiac patients in the field, but to continue their high degree of professional care, they need the best tools available to do it.

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 Fire Department be given permission to pursue the grant application for the Assistance to Firefighters Grant from the Department of Homeland Security, FEMA for \$88,348.00.

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

Ms. Richardson reviewed the most recent submitted documentation (on file) with the Committee.

She noted the three items on the Fire Department were the same as on the prior report. The Boil Water transfer was done, but they are still running in a deficit.

Councilor Curcuru asked about appropriation of funds.

Mr. Duggan stated there are funds in the department.

Mr. Towne stated he and the Chief have conferred on the matter. They are going to look into it thoroughly to cover it.

Ms. Richardson noted the overdraft was taken care of this evening. The salary budget was under budgeted.

The Committee asked that the Fire Chief see it addressed as soon as possible. On or around the 19th he will be able to sit down with the Chief to get into it. The Boil Water Order is done. This is a true operational issue

Mr. Towne stated as soon as the Budget talks are over he will take care of this with the Chief. It's not for the lack of trying on the Chief's part.

Councilor Hardy expressed her concern regarding the lack of funds in the salary account.

Mr. Duggan stated it's been unencumbered.

Ms. Richardson remarked snow and ice is on going.

Mr. Towne stated the total is down to about \$368,000.00. The positives are the contract services.

Ms. Richardson noted some of the items showing a deficit were in the process of correction or are transfers in process.

The Committee discussed the fire grant and how the City has to spend the money and then they go and ask the grantor for the reimbursement. They discussed the percentages showing expenditures on the grant to date. \$76,000.00 has been spent on the grant to date.

Mr. Duggan stated the paramedic being hired will start at any time. They were anticipating hiring the paramedic on January 10, 2010 through January 10, 2011. The funding authority has given an extension and will be from April 2010 to April 2011 – the salary for the paramedic. The previous conversation was because of the postponement they would take the lag money. That is not the case. That will be paid true to fact. The Chief just got confirmation on this.

Councilor Hardy asked if this would come again before the City Council as the grant is evolving.

Councilor Curcuru noted the money is the same but it's just an extension of a portion of the money.

Councilor Hardy stated the original application was for \$700,000 but we got 388,000.00.

Mr. Towne stated January 10th was the first date a draw down could be taken.

Councilor Hardy asked for an Information Only item for the City Council to go forward on this.

MOTION: On motion by Councilor Hardy, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor 0 opposed to put the City Auditor's Report at the top of each agenda.

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

The Committee discussed with Mr. Towne what they would like to see come forward for the May 6, 2010 meeting.

9. Other Business

It was moved, seconded and unanimously approved to adjourn the meeting at 7:40 p.m.

Respectfully submitted,

Dana C. Jorgenson

Clerk of Committees