

## CITY COUNCIL STANDING COMMITTEE

**Budget & Finance Committee**

Thursday, October 6, 2011 – 6:00 p.m.

1<sup>st</sup> Fl. Council Committee Rm. – City Hall**-MINUTES-**

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

**Absent:** None.

**Also Present:** Jim Duggan; Kenny Costa; Jeff Towne; Assistant School Superintendent Brian Tarr; Dr. Safier; Mike Wells; Police Chief Michael Lane; Grant Harris; Heidi Fialho; Fire Chief Phil Dench

The meeting was called to order at 6:10 p.m. Items were taken out of order.

**1. Memo from CFO re: Loan Authorization to replace & upgrade School Departments' telephone System**

**Jeff Towne**, CFO stated that he wrote up the loan language and left it as generic as he could and read the order to the Committee (see below). **Dr. Safier** stated their high schools phone system has been non-functional since the week before the start of school and is not able to be repaired. They have a stop gap measure in with six phones in the building which are party lines. It is not appropriate or workable. The middle school has had major problems with circuit boards shorting out. That system is very old and on its way out. The elementary schools have issues with the modulars not having phones. They need at this point to have a modern serviceable phone system which in the long term would be cost effective. They're looking at a voice-over-internet protocol system. **Grant Harris**, IT Manager for the School Department stated this new systems takes voice data into a digital signal and over the data network which is more flexible. There is a large data system already within the buildings. The phones are also network devices. **Councilor McGeary** asked what happens if the power goes out. **Mr. Harris** stated that every site will have adequate battery back-up systems. If that runs out, they'll have an analog phone in each of the buildings in place as a last line back up. **Councilor McGeary** asked if there was sufficient band width. Mr. Harris responded they're speaking about 287 phones. These phones will be running over new switching equipment in the schools; the data system will be able to handle the load. There will be a dedicated circuit, two T1's. This is also described in the RFP issued by the School Department. **Councilor Hardy** asked about the money requested up to \$200,000 and asked if it includes City side phones. **Mr. Towne** responded they did talk about it if money was left over from another loan. But the City side phone systems are in better shape on the City and do have more capability with the current system in place. **Councilor Hardy** stated there is no doubt the schools need a new system. She asked who would be the carrier. **Mr. Harris** stated it is Verizon currently, but with the new system they'll be able to change the carrier. On the State approved vendor list there are several carriers, and they're all at the same rate. They could, have any of them who have to guarantee the fixed cost. On inquiry by **Councilor Hardy**, **Mr. Harris** stated this is a per call basis charge. If you pay for a Centrex line, you're paying the service for the dialing of the 3 digit extension. Those calls are free internally. Unless you dial the 3 digit extension there is a charge. The elementary schools can handle only a certain amount of circuits so they don't have the Centrex lines. Mike Wells, City IT Director commented the City side doesn't have Verizon. They converted CATA and City Hall into fiber buildings and have T1 service. That is cheaper per line but you can't be on Centrex if you do that. By having the T1 service, the City saves a tremendous amount of money. It was felt that the School Department need was so great that they City would not join in the loan request as they don't have pressing needs at this time. He mentioned there is no interconnection between the two systems, but they may eventually do so. This was not on the capital improvement list according to **Mr. Towne**. **Councilor Hardy** asked how many years this loan would be for. **Mr. Towne** stated that would be for 10 years. They can go between five and 15 years now. **Councilor Hardy** asked if they can move the proposed system from building to building. **Mr. Harris** stated that is the advantage of the system they're proposing to purchase. They just plug the phones into the network. It makes it easy to relocate systems. Referring to calls between buildings, with this phone system all internal calls are free because they're going over the School Department's data network. **Dr. Safier** added another advantage is that if you aren't able to pick up the phone an email message is automatically generated to check for a phone message. **Mr. Harris** stated if they can get the contract awarded December 1<sup>st</sup>, they can get all of the system in place in 60 days, doing the High School first. There is a six to eight week lead time with the carrier. That service has to be delivered before the vendor comes in to do the installation. **Councilor Curcuru** asked about the status of grant for the video cameras for the high school. **Mr.**

**Harris** stated it is in the installers' hands now. They have to get a fully itemized list. They were able to work out to keep over ¾ of what they wanted. They had to drop a few of the external cameras. There were 10 and now will be seven or six. **Dr. Safier** stated they didn't have enough funds to meet the original bids. They've asked them to come in at \$72,000. **Mr. Harris** stated the vendor told them that by Monday or Tuesday they would go forward. **Councilor Curcuru** thought they would have had that system up at the start of the school year. **Dr. Safier** stated that was due to how the bids came in. **Mr. Harris** noted if they put the cameras in today they wouldn't have the switching capability in place. They hope to have most of the equipment put in over the next few weeks. He confirmed for **Councilor McGeary** with the new system that the high school will have phones in administration and all classrooms and that in the middle school will have phones in the administration and phones throughout the building; and they can look at software phones. That same model will be replicated to the elementary schools. They'll have capability to have voice mail. The intercom system at Veterans is not serviceable. The new phone systems can be used as an intercom paging system. The phones will be able to be used for both purposes. They hope to do the install over the Christmas break in order to have the least disturbance to class time. He confirmed for **Councilor Curcuru** they will make sure that all the vendors' workers are CORI checked. **Mr. Towne** confirmed that there is only a need to advertise this loan authorization for one week. **Councilor Hardy** noted because of the scheduling there is only one meeting in November and December for the Council. She would like to get this advertised as soon as possible to have a public hearing on October 25<sup>th</sup>. **Dr. Safier** felt this is an emergency situation. **Councilor Hardy** stated if the Council needs to hold an emergency meeting they will try to do so. They will work to get this advertised as soon as possible. The school facilities receiving the new phone systems are: Elementary Schools: East Gloucester, West Parish, Beeman Memorial, Veterans Memorial; O'Maley Middle School; Fuller School Administration and Pre-K program. **Dr. Safier** thanked the B&F Committee for their cooperation and responsiveness. **Mr. Towne** stated after this borrowing, if they approve both loan orders (referring to Item #3 on the agenda) \$194, 062,783 left before the debt ceiling is reached. It is not that they're approaching their limit but it is a consideration. There is nothing falling off in terms of debt until late in 2015. **Councilor Hardy** asked if there is a concern that these borrowings will effectuate layoffs. **Mr. Towne** stated everything they're looking at is responding to a great need, which even the CIAB saw the need for these things. They have to move forward on all of them. He did not believe there would be layoffs due to initiating these loan authorizations before the Council now. There is two years of new growth ahead for the City; and they have planned for this.

**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 following loan authorization for the funding of a new telephone system for the Gloucester Public School District as follows:**

**ORDERED: That up to \$200,000 (Two Hundred Thousand Dollars) be appropriated for the installation and configuration of a telephone system to replace failed and outdated systems for all of the Gloucester Public School District campuses, including the District's Main Office; that to meet this appropriation the Treasurer with the approval of the Mayor is authorized to borrow up to \$200,000 (Two Hundred Thousand Dollars) under G.L. c.44, §7(9) or any other enabling legislation; that the Mayor with the approval of the City Council is authorized to take any other action necessary to carry out this project; and that the Treasurer is authorized to file an application with the Municipal Finance Oversight Board to qualify under c. 44A of the General Laws any or all of the bonds authorized by this order and to provide such information and execute such documents as the Municipal Finance Oversight Board may require for those purposes, AND FURTHER TO ADVERTISE FOR PUBLIC HEARING.**

## ***2. City of Gloucester Capital Improvement Advisory Board Annual Report for FY12***

**Mr. Towne** reviewed with the Committee his memo regarding the Requests for Capital Items for FY12 from the various City Departments during the discussion on the CIAB Annual Report for FY12. The CIAB didn't give them any recommendations on these requests. However, when the CIAB did review the list they asked a pumper purchase before them could be a refurbishment. The Chief went back and looked at the 1997 pumper and determined they could. They did two ambulances, replacing the 2002 and the '97 but only one came forward. Another ambulance will come on soon also. They didn't have a Facilities Manager on board last year and so a five year plan was hard to do. The CIAB meetings started in January 2011. Last year was a building block year. They will now do a five year plan. Moody's is expecting that plan to come forward. They have to get to a five year plan first which is a lot of work. On inquiry by **Councilor Hardy**, **Mr. Towne** explained he told Moody's (rating agency) that it would be another year working with the CIAB to get the five year plan. While Moody's prefer to see

a five year plan, they know they're working on it; but don't like that one isn't in place yet. He commented that depending on the plan, it can help or hurt them. It is dependent on how it is constructed and funded. He wanted to give the CIAB a five year Capital Improvement Plan to help with the development of the overall five year plan looking at prioritizing the plan giving the City a second set of eyes. There was a discussion on the composition of the Board itself with Mr. Towne. He acknowledged City department heads know they have to submit their needs. Jim Hafey, the Facilities Manager, didn't come on until after the process was over last year. They eliminated a lot of things as they don't want to see anything with a useful life of less than three years coming in front of them. Rather they want to see significant items over \$100,000.

**The matter of the City of Gloucester Capital Improvement Advisory Board Annual Report for FY12 is continued to November 3, 2011.**

### ***3. Memo from CFO re: Loan Authorization Request for Capital Items for FY12***

**Mr. Towne** reviewed with the Committee his memo regarding the Requests for Capital Items for FY12 from the various City Departments. The CIAB didn't give them any recommendations on these requests as noted in the previous discussion. **Councilor Curcuru** thought he recalled some of the DPW items were listed in the budget for FY12. **Mr. Towne** stated that was for the Water and Sewer Enterprise Funds, and was not on this list. These were all general fund vehicles. **Mr. Wells** stated the server wasn't in his budget.

**FIRE DEPARTMENT:** They reviewed the Fire Department requests starting with the \$250,000 for a new ambulance. Sander Schultz, EMS Director got the good quotes, bringing the cost down, and this ambulance will replace the '93 ambulance. It includes all standard equipment like the gurney, stair chair, etc. It doesn't include supplies. **Mr. Towne**, responding to several questions from the Committee stated that the CIAB knows they have ambulance needs. Each individual aspect has a different useful life. They work up an individual debt service and mesh it together in a bond issuance. The ambulance will go 15 years, and the pumper would be funded at 10 years. That's done when they actually issue the debt. **Chief Dench** thought the refurbishment was a good alternative to getting a new truck. They had an evaluation of Engine 3 which was confirmed they can replace most of it. They'll have a reasonable pump that will last 10. They have a 2012 coming on line. He has a 20 year plan to keep replacing the vehicles. The refurbishment is expected to take six months. They will use the Lynnfield pump recently donated to the department and use as their back up pumper. They've used it, and it works well. They can keep that in service until this pump is refurbished. They have five pumps (one for each station and one in reserve). The current frontline ambulance is a 2009 Horton. There is a five or six year life expectancy as a front line ambulance, then it is rotated back as a secondary ambulance over the same time frame, and then to back up for another five years. They have a '97 Horton with 120,000 miles on it and the '93 Ford which is having major work done. The '97 Horton has just had major work done on it also and is now back in service. When an ambulance is out of service, the Department is losing \$2,000 to \$3,000 in revenue a day. They have been able to downsize the new ambulance. But they need it right now. He did put in for a grant for an ambulance also. The ambulance inspector went over the bodies of the three ambulances; who informed them there is a possibility that one ambulance will not pass. It takes about 3-5 months to get a new ambulance. The grant they just put in may yield nothing to the department.

**DPW:** **Mark Cole**, DPW Assistant Director stated the rubbish packer, which is the barrel truck, broke down this summer and had no use of it. This vehicle allows one man to go out alone to do trash removal. It picks up, empties and puts the barrel back down. It is a man hour saver and prevents injury to DPW workers. The CIAB liked the concept of replacing this vehicle. On inquiry by the Committee, he stated the old rubbish packer will be stripped down and used for another purpose. The four pick up trucks are for Inspectional Services, the Assessors. They're short on vehicles and those departments are currently sharing vehicles. They are adding to the sander fleet to rely less on contractors. **Councilor McGeary** asked how much they save by buying the trucks. **Mr. Towne** didn't know that number. These are two trucks at \$72,000 apiece. **Mr. Cole** stated it is getting close again to get these vehicles in place before the start of the plowing season. Part of the DPW Director's plan is to go with the bigger trucks during snow storms. The 4x4 plow truck is a replacement. The backhoes they have now are falling apart and are down more than they are up. This is a replacement. **Mr. Towne** commented they haven't bought any 6-wheel dump trucks since he's been with the City. **Mr. Cole** stated they could possibly use it as a plow truck also. As to the roofs, one is the DPW garage which is leaking badly which has created a lot of damage on the inside. All their equipment is parked in that garage. The loss of the roof would have far reaching implications. It is 11,000 ft for the DPW and the Fire Department is 4,000 sq. feet. Both are flat roofs. **Councilor Hardy** asked about the roof at the Magnolia Fire Station. **Mr. Cole** confirmed the roof was replaced 8-10 years ago. But there is a brick wall around the perimeter of the building. It seeps into the building, and there are leaks all over the roof. It is getting into the

walls. There is mold there. **Chief Dench** felt there is a need for that station to be opened. **Mr. Towne** stated that the CIAB was adamant about maintaining the City buildings from an investment perspective. **Councilor Hardy** asked if they would send Mr. Hafey to evaluate the building. **Chief Dench** thought they need a structural engineer rather than Mr. Hafey's review as it was in their audit report. **Mr. Towne** stated that didn't come up at the CIAB. **Councilor Hardy** asked the DPW to please send Mr. Hafey to evaluate the Magnolia Fire Station which Mr. Cole agreed he would see to that and have Mr. Hafey also assess the DPW garage roof. **Mr. Towne** stated it is \$11/sq. ft. basis. They haven't gotten an estimate on it yet, but this is based on the projects they just did on the schools.

**POLICE DEPARTMENT:** Mr. Towne spoke about the radios to be purchased for the Police Department are required as they're on a different frequency than that which is mandated by the state for a switch over by 2013. The Chief wants to make the push towards doing that. Whether they finance over 10 years or fund it 10 per year in the debt service comes out the same. All officers will have the same models and be a year in advance of the deadline. Chief Lane stated they have hand-me-downs from Chelsea which are no longer serviceable. **Councilor Curcuro** asked if they have seizure money to fund them. **Police Chief Lane** thought they would use that money to get the new public safety building going. He believed they have \$500,000 in that account. **Councilor Hardy** noted Councilor Tobey asked for an accounting of that fund at the last Council meeting. **Chief Lane** stated the radios are narrow band compliant. It is for 20 units. The total cost is for \$255,000. **Mr. Towne** noted they've met with the parking people in the City and met with two parking kiosk vendors; and determined there are various parking lots where they could start to replace the meters with kiosks: on Railroad Avenue at the train station; the Fitz Henry Lane parking lot and the municipal lot at the Gloucester House. They are determining how they want to set it up; pay by space or pay by display. They are looking into this last piece to make their determination as to what kind of kiosk they should purchase. They want it to be able to coins and debit/credit cards only as kiosks that take paper money actually cost more. Each kiosk has a secure money box and that there is one machine for every 10 spots. There will be an internet connection in the kiosk which entails a monthly fee that will have to be built into a budget. **Councilor Curcuro** noted he spoke to Mr. Hale that there is an advantage to moving to kiosks and taking away the meters with their posts because of street and sidewalk clearing issues. **Mr. Towne** continued they've looked at all the lots and spaces to figure out what they need and where. There will be necessary signage. It is a process that a lot of communities have switched over to. Fewer coins mean more savings to the City. It could increase revenues by approximately 25% by allowing someone to take their tag with them and move their vehicle to another parking area place – the parking voucher follows the driver. There are 616 metered spaces in the City. Not all have functioning meters. Whatever meters they replace due to parking kiosks, they'll use them to fill in for broken meters elsewhere and also use for parts to repair others. **Councilor McGeary** asked how many parking kiosks they anticipate purchasing, which **Mr. Towne** stated 9 or 10. They would buy these kiosks outright. The technology would change over time; but they will try to go with companies where they would be upgradable. They'd have to go out to bid on them with installation in the spring. They'd borrow for nine years for the kiosks. They try to do level debt which is easier to budget and is why this comes out to nine years.

**INFORMATION TECHNOLOGY DEPARTMENT:** **Mr. Towne** stated they may pay cash for this server as they'd like to pay this off before it goes long term.

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|---|-----------|
| 1. Fire Department:   |           |
| a. Ambulance  | \$231,000 |
| b. Pumper Refurbished   | 220,000   |
| 2. Department of Public Works:                                |           |
| a. Rubbish Packer   | 75,000    |
| b. Pick-up Truck (4 – two are 4x2's HD<br>and 2 Ranger 4x4's) | 76,000    |
| c. 4x4 Plow Truck with sander (2)                             | 144,000   |
| d. Flatbed Truck with plow                                    | 44,000    |
| e. Backhoe  | 106,000   |
| f. 6-Wheel Dump Truck   | 111,000   |
| g. DPW & Magnolia Fire Station Roof Repairs                   | 165,000   |
| 3. Police Department:   |           |
| a. Portable and mobile radios                                 | 155,000   |
| b. Parking kiosks   | 150,000   |
| 4. Information Technology Department:                         |           |
| a. Server and software licensing                              | 36,000    |

**Councilor Hardy** thought she could approve the \$73,000 to go to \$75,000 for the rubbish packer and that the radios going to \$155,000 but would like consider the \$165,000 to be held back in order to wait for the roofs assessment by Mr. Hafey. **Mr. Cole** thought that would be accomplished before the public hearing. **Councilor McGeary** asked if the server could do virtual server. **Mr. Wells** stated this server is for virtual terminal services, so they can provide a stable environment on a variety of hardware.

**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 following loan order:**

**Ordered: That up to \$1,509,000 (One Million Five Hundred and Nine Thousand Dollars) be appropriated for the purchase of departmental equipment, the refurbishment of a fire department vehicle, repairs to the roofs at the Magnolia Fire Station and DPW building and for the purchase of a server and software licensing; that to meet this appropriation the Treasurer with the approval of the Mayor is authorized to borrow up to \$1,492,000 under G.L. c.44 § 7 (3a), 7 (9), 7 (9a), 7 (28) and 7 (29) or any other enabling legislation; that the Mayor with the approval of the City Council is authorized to take any other action necessary to carry out this project; and that the Treasurer is authorized to file an application with the Municipal Finance Oversight Board to qualify under Chapter 44A of the General Laws any or all of the bonds authorized by this order and to provide such information and execute such documents as the Municipal Finance Oversight Board may require for these purposes; and FURTHER TO ADVERTISE FOR PUBLIC HEARING.**

**4. Memo from Asst. DPW Director re: permission to pay invoices from FY11 with FY12 Funds**

**Mark Cole, Assistant DPW Director** stated that the National Grid/GDF Suez came from the underfunding of the schools from the last fiscal year. They tried to estimate what they needed to get to the end of the year. But the use stayed steady and didn't drop. There was a question as to what generated the Heritage Way (Blackburn Industrial Park) invoice. **Mr. Cole** thought it was for street lights. This year the DPW budgeted more money for utilities and have seen a little bit of savings so far. The two GHS accounts were for electric, one for the carrier, one for the provider. **Councilor Hardy** thought they had someone on the payroll on a stipend in the school system looking at energy conservation. **Mr. Cole** noted they're hiring an HVAC qualified person, and that responsibility will fall to that person. The Graf Leasing invoice is for a storage trailer. They put a purchase order in each year for \$720; and the P.O. was approved 7/20/11 but the invoice came in dated 7/16/11 causing the problem. They've had this storage unit for three years. On inquiry by **Councilor Curcuru**, **Mr. Cole** stated they looked into purchasing it outright, but it was still cheaper to lease the unit. **Mr. Cole** stated that Simplex Grinnell has done the fire alarm monitoring and repair work at the Senior Center from the time the building was built. This company monitors alarms at the DPW, Fitz Henry Lane House, City Hall, and several others. Over the last two years they've been converting fire alarms to go directly to the fire station. This is an annual purchase order for monitoring and a purchase order for repairs. For some reason they simply missed it. They were in the process of the installation of a new system for the Rose Baker Senior Center and sent a letter to cancel Simplex Grinnell's services as they were no longer necessary with the new system. Simplex Grinnell then told them they couldn't cancel their service until another company was in place for the monitoring. Ultimately, that bill was prorated for this year reflecting the cancellation which is why the amount is \$214.71 rather than \$519.00 for one of the two invoices for this company. Having thought they cancelled the service for the year, they didn't put in for a P.O., and in the end they needed it. As a result, these two invoices are generated without a P.O. in place. Regardless of the two different dates of the invoices, they still have to be considered from last year, according to **Mr. Costa** as their fiscal year starts July 1<sup>st</sup>. **Councilor Curcuru** asked if **Mr. Cole** thought this might adversely affect their budget, to which he responded, "No," that they could cover all these bills. **Mr. Cole** has the pro-rating agreement in writing and that the service is cancelled. **Councilor Hardy** asked in the future to receive copies of the P.O.'s as well as the invoices.

**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 in accordance with MGL Chapter 44 Section 64, to pay National Grid/GDF Suez under DPW Central Services 101000104995213 National Grid Account #40497-75004 Heritage Way dated 06/23/11 for \$1,027.27 for expenses incurred in the prior fiscal year by the Department of Public Works to be paid with funds from the current DPW FY2012 Facilities Budget.**

**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 in accordance with MGL Chapter 44 Section 64, to pay National Grid under DPW Central Services 101000104725211 National Grid Account #40983-61001 40 Blynman Avenue dated 6/23/11 for \$8,073.95 for expenses incurred in the prior fiscal year by the Department of Public Works to be paid with funds from the current DPW FY2012 Facilities Budget.

**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 in accordance with MGL Chapter 44 Section 64, to pay Suez/GDF under DPW Central Services 101000104725211 Suez/GDF Account #8846705000 30 Cherry Street dated as of 7/11/11 for \$12,817.93 for expenses incurred in the prior fiscal year by the Department of Public Works to be paid with funds from the current DPW FY2012 Facilities Budget.

**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 in accordance with MGL Chapter 44 Section 64 to pay National Grid under DPW Central Services 101000104725211 National Grid Account #42238-10330 40 Blynman Avenue dated June 21, 2011 for \$2,441.31 for expenses incurred in the prior fiscal year by the Department of Public Works to be paid with funds from the current DPW FY2012 Facilities Budget.

**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 in accordance with MGL Chapter 44 Section 64 to pay Simplex Grinnell under Central Services 101000104725211 for Invoice #73766034 dated 08-09-10 for the Rose Baker Senior Center Alarm Monitoring for \$214.71 for expenses incurred in the prior fiscal year by the Department of Public Works to be paid with funds from the current DPW FY2012 Facilities Budget and with no purchase order in place.

**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 in accordance with MGL Chapter 44 Section 64, to pay Simplex Grinnell under Central Services 101000104725211 for Invoice #7399062 for the Rose Baker Senior Center Alarm Monitoring for \$519.00 for expenses incurred in the prior fiscal year by the Department of Public Works to be paid with funds from the current DPW FY2012 Facilities Budget and with no purchase order in place.

**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 pay Graf Leasing under Central Services 101000104725211 for Invoice #38746 for storage unit leasing for \$60.00 with no purchase in place.

##### *5. Memo from Comm. Dev. Director re: Affordable Housing Trust funding approvals*

**Sarah Garcia**, Community Development Director stated she was asking approval of two awards for the Affordable Housing Trust (the Trust) funding. The first is Action Inc. who bought a permitted lot for five units, and would be building four affordable housing units. This is serving the homeless; and the Trust made sure these were Gloucester families who were being served. They also had voted to support the Taylor Street project by Gardiner & Company. **Councilor McGeary** noted the Taylor Street project got \$100,000 last year from the CPA. **Ms. Garcia** stated this request was put in at the same time as the CPA funding last year and is just coming forward now. The Trust has done thorough reviews and serves a good role for the City. They're far from the 10% affordable housing for the City. The subsidized housing stock is only around 8% which has to include the Section 8 units. Senior housing is not considered as part of affordable housing which hurts the City. All 40B has to have a period of long term housing. With the apartments for Sec. 8, they didn't see the disappearance during the height of the housing market. The vouchers were still being used. If you have a housing plan that if you have a ½ % growth a year, the amount of units they'd have to produce would be infeasible for the City. They have about 11,000 to 13,000 units. They'd have to show production of 70 units a year. There was a recent report from the Trust to the Council through the Mayor's Report (on file). **Councilor Curcuro** noted his familiarity with the Action project. There was a Special City Council Permit for this Marsh Street property, but the builder didn't move forward to build it. On inquiry by **Councilor Hardy**, **Ms. Garcia** stated that they would be appropriating \$40,000 for Action Inc. to develop the project. The Board is composed of George Sibley, Mary John Boylan, Betsy Works, Ruth Pino, Michael Luster and

herself. The vote was unanimous. These were the only two recent applications. The money came from the Village of West Gloucester mitigation. There is still \$313,000 left in the Trust. The Trust has spent the first year interviewing people in the affordable housing field to determine where they would want to put the funds. They didn't want to do housing rehabilitation; they wanted to do new units. They made an exception with Central Grammar. The Trust has a feeling for the needs of the City and go carefully to do their due diligence. **Councilor Curcuru expressed** his concern with the Taylor Street project and thought there was a glut of this type of housing in the City. He didn't vote for it when the CPA funding for that project came before the Council last year. He did believe in the Action project, however. **Mr. Costa** noted the Trust should be audited by the City's outside auditors. He asked who determines the budget. **Ms. Garcia** stated they only spend their funds on projects, none on administration. She would bring it to the Trust and get back to Mr. Costa, and pointed out the Trust makes grants, not loans. There is no payback. On inquiry by **Councilor McGeary**, **Ms. Garcia** stated this Trust was created from mitigation funds for affordable housing; that for every eight units of housing created, there must be one unit for affordable housing; or there is a payment in lieu. This is where that money goes. **Mr. Costa** asked if there is a reason why they don't loan money versus grants. **Ms. Garcia** stated they've done that with the CDBG funds. With regard to the Taylor project this is a grant which will assist in lowering the cost of the units. **Councilor McGeary** differed with the Chair on the Taylor Street project, feeling it was a good project but asked what if they went "out of business. **Ms. Garcia** stated the Trust is holding certain percentages back until the end because in looking at the financing for the project there is an estimate of a profit for it. So they decided they would do an audit of the numbers and would hold back 20%. If the project makes more than 20% they would ask for that money back. The reason they supported this project is to support the Gloucester Housing Authority. **Councilor Curcuru** stated they were told several different figures from the project manager, and felt they were not given the entire story at the Council hearing. **Ms. Garcia** stated they put in this protection, while small, she pointed out this isn't a huge amount of money, although it is a risk. The Taylor Street project would start immediately upon receipt of this funding. **Councilor Curcuru** stated the Council was told they were supposed to break ground in February of 2011. **Councilor Hardy** asked about the special permit for the Marsh Street property noting runs with the land. She asked if these conditions that went with that permit are in place, and the folks involved know that. **Councilor Curcuru** stated they do know about it, and the restrictions that go with it. **Councilor McGeary** stated they would not undertake the project until they have the rest of the funding before they move forward with it. **Ms. Garcia** stated The Trust doesn't award money if they don't feel the project isn't moving ahead. They don't like to give funds for feasibility studies. They want to fund real projects. **Councilor McGeary** was inclined to send the both project disbursements to the Council. He shared Councilors Curcuru and Hardy's concerns with the Taylor Street project, but that it would be nice to fill the hole there in the neighborhood. **Councilor Hardy** made sure there is a special City Council permit that runs with the land granted previously and that the conditions will be adhered to and honored.

**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 funding of the request by the Affordable Housing Trust Committee for the Action Inc.'s Home Together Project at 26 Marsh Street for \$40,000 for architectural and engineering.**

For purposes of discussion on the following motion **Councilor Hardy** seconded.

**Councilor Curcuru** expressed his serious concerns about this project since the beginning, during the CPA funding cycle, continues to have his doubts about it; and will be voting no on this project. **Councilor Hardy** also expressed doubts and would not vote in favor. However, if additional information became available, she would be willing to take it into consideration and could change her vote at Council. **Councilor McGeary** had concerns also but would vote in favor but would want to see Mr. Gardiner or some other representative of the project at the Council meeting of October 11<sup>th</sup> to answer questions they may have at that time. **Councilor Curcuru** asked that Peggy Hagerty from Action Inc. be at the Council meeting also.

**MOTION: On motion by Councilor McGeary, seconded by Councilor Hardy, the Budget & Finance Committee voted 1 in favor, 2 (Curcuru, Hardy) opposed to recommend to the City Council the funding Gardiner & Company – 10 Taylor Street Project for \$30,000 for Construction.**

**6. Memo from Comm. Dev. Director re: acceptance of grant funding extension in the amount of \$30,000 from Health Resources**

**Ms. Garcia** asked they accept this grant for a six month funding for Get Fit Gloucester! from Health Resources in Action (a consortium of health insurance companies). This is the funding source for their Get Fit Gloucester! project manager, Stephen Winslow. Initially this project was only funded for a half year initially due to State budgeting issues. This project is very successful and well liked. (for a project summary see Budget & Finance Agenda packet of 10/6/11 on file). She felt Mr. Winslow has been an asset to the Community Development Department. She asked Mr. Winslow to look at the Newell Stadium renewal project to see what other grants could be tapped. He has also been working on the Open Space and Recreation Plan, and managed that committee as well. He was able to take those recommendations and get the North Gloucester Woods study going. He's reached out to the Boston Walks program and initiated the Gloucester Walks program. She pointed out Mr. Winslow was recently able to obtain another grant for \$25,000 which will be coming forward shortly to the Council for acceptance which will add to the salary funding but also to share with the Farmers Market to help support and keep that going as well as the Backyard Grower's program. This grant before them will take them now through June 2012. She confirmed for **Councilor Curcuru** this was for Mr. Winslow's salary, and confirmed for **Councilor Hardy** that administrative costs are accounted for. **Councilor Hardy** commented she has seen Mr. Winslow at public events and has been impressed by him and by his work. **Mr. Cole** added that he served on the Newell Stadium Committee with Mr. Winslow and vouched for what a good job he's done. **Councilor McGeary** also had interacted with him on several projects in East Gloucester including the sidewalk improvements project in East Gloucester and found him to be very helpful (a project partnership with Community Development and the DPW using CDBG funds where sidewalk accessibility in targeted neighborhoods were eligible and is always eligible for handicap access). **Councilor Hardy** asked that Ms. Garcia send along their thanks to Mr. Winslow.

**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 accept under MGL c. 44, §53A a grant funding extension from Health Resources in the amount of \$30,000.**

*7. Review & recommendations for the disposition of real property at 6 Stanwood Street*

**Councilor Curcuru** stated that he had received a request by Mr. Duggan on behalf of the Administration to pull this item from the B&F Agenda. The Administration wishes to evaluate the condition of the property more thoroughly and make a determination whether it is in the best interest of the City to lease the building or sell it.

**This matter is continued by the Committee until information comes forward from the Administration.**

*8. CC2011-045 (Whynott) Installation & Dedication of bench at Stage Fort Park in honor of Ed Parks*

**Councilor Hardy** commented she believed Councilor Whynott was going to work with the Administration to identify a funding source for this request. **Mr. Duggan** stated he had not had a discussion to date with the Councilor. The only request they've had in the past this type of request has always been on a donation basis. The Committee looked at the matter briefly with **Mr. Duggan** and **Mr. Cole**, who stated he would come up with a several suggestions and send some information forward. **Mr. Duggan** would contact Councilor Whynott, but cautioned about possible expectations being set by this request.

**The Committee continued this matter until information came forward to the Committee.**

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

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

**A motion was made, seconded and voted unanimously to adjourn the meeting at 8:55 p.m.**

**Respectfully submitted,**

**Dana C. Jorgenson**

**Clerk of Committees**

**DOCUMENTS/ITEMS SUBMITTED AT MEETING: None.**