

**Budget & Finance Committee**  
Thursday, January 5, 2012 – 7:00 p.m.  
1<sup>st</sup> Fl. Council Committee Rm. – City Hall  
**-Minutes-**

**Present:** Chair, Councilor McGeary; Vice Chair, Councilor Joseph Ciolino; Councilor Melissa Cox

**Absent:** None.

**Also Present:** Councilor Verga; Kenny Costa; Jim Duggan; Donna Compton; Mark Cole; Tony Gross; Chief Michael Lane; Carol McMahon

**The Committee by unanimous consent took Item #2 as their first matter of business.**

**2. Memorandum from Harbormaster re: proposed change to GCO Chapter 10, Sec. 10-51(e) Fees (referred By O&A 12/05/11)**

**Tony Gross**, Waterways Board Chairman explained that the Waterways Board and Harbormaster are withdrawing the proposed change to the GCO c. 10, Sec. 10-51(e) Fees at this time in order that the Board, with the Harbormaster, may reconsider the fee structure as they found some discrepancies in the fee structure. **Councilor Ciolino** asked if they had checked with other communities as to how they charged which **Mr. Gross** noted they did. Typically communities charge by linear feet not square footage. **Councilor Ciolino** asked that they bring supporting documentation back with what surrounding communities charge for Rockport, Manchester, Salem, Beverly; which **Mr. Gross** assured they would include it. **Councilor Verga** asked when is the fee assessed. **Mr. Gross** stated it would be for next year and be applied to their FY13 budget as all permits are going out now. **Councilor McGeary** asked about ramps. **Mr. Gross** responded ramps are not included. He clarified 10A floats are bottom anchored, not attached by piers or pilings. They can stay in all year. The Waterways Board and Harbormaster would bring forward another proposal soon.

**MOTION: On motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed consented to the withdrawal of the proposed change to GCO Chapter 10, Sec. 10-51(e) Fees as referred by the O&A Committee on O&A 12/05/11.**

**1. Continued Business:**

- A) Review and recommendations for the disposition of real property for the Good Harbor and Wingersheek Beach Concessions (Cont'd from 12/08/11)

**Mark Cole**, Assistant DPW Director explained to the Committee that they wish to put the concessions lease out for Good Harbor and Wingersheek Beach for three years. A couple of minor additions were made regarding the language to help with the clean up around the concession area, not only the 50 ft. radius around the concession but also at the dumpster three-sided area. It is basically the same contract as the one they put out three years ago. They pay all utilities, restroom cleaning, stocking, and day-to-day maintenance with anything major the DPW handles. **Councilor McGeary** asked the minimum bid which **Mr. Cole** stated was \$75,000 for Good Harbor Beach and \$65,000 for Wingersheek Beach. **Ms. Compton** stated the last time the City received \$96,000 for Good Harbor and \$86,000 for Wingersheek Beach. It can be the same person who runs both but the last contract had two separate individuals. **Mr. Cole**, in response to **Councilor Ciolino's** inquiry explained what the responsibilities of the concessioners with regard to the cleaning, stocking and day-to-day issues such as a blocked toilet that too is their responsibility regarding the bathrooms. Anything beyond a minor repair they would contact the DPW; and the DPW would fix it. **Councilor Verga** recalled hours of operation were another issue previously. **Mr. Cole** explained if the parking lot is open, they have to be opened. They close the booths between 4 and 5 p.m. depending on the weather. A concession can stay open as late as 6 or 7 p.m. depending on the weather. As late as they're open the bathrooms have to stay open. **Councilor Ciolino** asked about the condition of the Wingersheek bathrooms. **Mr. Cole** explained that Wingersheek was completely redone two summers ago, both the men's and ladies room (new floor, new fixtures, and new water lines). Good Harbor had the ladies room completely redone last year (new toilets, new floor, all new fixtures); and the men's room will be done this winter. It will have a new floor; and they're changing the design of the men's room. All will be ADA accessible. Wingersheek has a tank that is pumped out Friday, Saturday, Sunday and Monday mornings. During the week it is weather dependent. If there is a

lot of usage they'll pump it on a daily basis. Back ups have decreased significantly. Last summer there may have only been three or four. There are days they could pump out twice but is not something they want to do when the beach is running due to the tank's location. Their staff goes in around 5 a.m. and tries to be out of the parking lot by 8 a.m. They have a better handle on it than in the past. **Councilor Ciolino** also asked about the dumpsters. **Mr. Cole** stated there are three dumpsters at each site. One is a trash dumpster strictly for the concession. The City pays for it. Another is for the general public and another is for recycling areas set up on both sides. It is a small enclosed room with three slots that go right into the barrels. It is under their contract with Hiltz who comes two or three times a week who dump the barrels and do the recycling. **Councilor Cox** asked about the carry in/carry out policy. **Mr. Cole** confirmed both beaches are part of that program; but they found patrons carry their trash as far as the parking lot and leave it next to the car and drive off. They found since they put the dumpsters in, not only are the beaches cleaner, but so are the parking lots. They have added that the concessioners are responsible for the dumpster area which is three sided. He has staff that walks the beaches from one end to the other and checks the dumpsters first thing in the morning. **Councilor Ciolino** asked about the condition of both buildings. **Mr. Cole** stated they need to work on the interior as far as the electrical service. The exteriors are fine. **Councilor McGeary** asked how big the staff at the concessions was. **Mr. Cole** has seen upwards of six people at a time. Both concessioners hired someone specifically for the bathrooms who were women which was helpful so they could go into the female side without closing it off. Without a female on staff they'd have to close the ladies rooms in order to clean it. Councilor Cox asked what would happen if they found the concessioners were not living up to their responsibility to keep the bathrooms clean. **Mr. Cole** stated that has not been a problem. The only issue in the past has been around the dumpsters so they've asked they keep the area clean. **Mr. Towne** added the concessioners pay up front also. **Councilor Verga** confirmed with **Mr. Cole** that the tank at Wingaersheek was a tight tank. **Councilor Verga** also advised the B&F Committee that P&D had voted the previous evening in favor of the RFP.

**MOTION: On motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council to approve the Request for Proposal #12077 Good Harbor & Wingaersheek Beach Concession and Restroom Operation Lease pursuant to the terms and conditions as stated therein. Said term is to be a three year term from May 1, 2012 to November 1, 2014.**

**3. *Loan Authorization: Memorandum from Environmental Engineer re: request for the remainder of funding and expanded Pipeline work for Phase 3 Public Water System Upgrades and Additional Contingency-DWSRF #3509***

**Mark Cole**, Assistant DPW Director explained this is the second phase of the borrowings for the Phase 3 upgrades. Back in June the Council approved \$4.5 million for the first part of it; and they are back looking for the second half of \$6 million. Because of the total price of the project, they wanted to split it over two years. **Jeff Towne**, CFO explained in order to the State MWPAT through the DEP and Water Pollution Abatement Trust, they had some money out of one fiscal year and were why they had to get their approval before June 30<sup>th</sup> of last year. They asked the City to split the project in two, even though it may not have made sense for the City to split it in two, but for their funding mechanism and to take advantage of the low interest costs offered to the City and also again the possibility of principal forgiveness (a similar program to ARRA), the City agreed. In June they presented the \$10.2 million saying they'd be back for Phase 2 and Phase 3A through 10E combined costs \$10.2 million. Mr. Durkin, Mr. Cole and Mr. Hale are asking to go to the \$10.5 million for contingency sake. Included is a ten percent contingency in the bottom line so that they won't hopefully have to come back for any further Phase 3 loan authorizations in the future. **Councilor McGeary** confirmed the amount being requested is up to \$7 million. **Mr. Towne** understood the slight confusion, but that in fact it is for up to \$6 million. The \$1 million is talking about the full contingency of \$1 million that is a part of the total of \$10.2 million overall. The documentation read oddly and could have been confusing. **Councilor McGeary** understood this would be for the Commonwealth Avenue area. **Mr. Cole** confirmed that this is for Commonwealth Avenue, Western Avenue, some of the water tanks. They're about ready to go out to bid and hope to have the award by April 1<sup>st</sup>; there is not a deadline. **Mr. Towne** added it is also timeliness for the construction period as well. They have to go through the approval process with DEP which takes a bit of time to get under the Mass Water Pollution Abatement Trust 2% program. Once the Council approves this, then he has to go through Bond Counsel in order to get it authorized and that they've done everything in a legal manner so that they get the financing in place while they get a contract in place. **Councilor Ciolino** asked about a few homes that are near the corner of Commonwealth Avenue and Centennial Avenue, he knew there to be houses in that location that was still not on City sewer and asked if it could be investigated. **Councilor Verga** also thought it to be the case and worth investigating. Councilor Ciolino thought since they'll be digging there, why they would

not connect these people up. **Mr. Cole** said he would look into it. **Mr. Cole** stated they are replacing the existing pipe. The lines are very old. **Jim Duggan**, CAO stated Phase 3 and 4 encompasses the water work for Ward 3; Commonwealth Avenue, Blynman Canal, Western Avenue Water Main, three Storage Tank Mixing System Evaluation and Design (Bond Hill, Plum Cove, Blackburn) West Gloucester Water Plant upgrades, five year Capital Master Plan. There will be a Phase 4 (Middle Street, Rogers Street, and the West Gloucester plant/Ward 5) in the future. **Councilor McGeary** inquired if this would be paid for off of the water rate. **Mr. Towne** stated it will be. After FY12 is over they'll have an outstanding principal of \$23.2 million; and the \$4.5 million already authorized that hasn't gone long-term yet; this \$6 million that hasn't gone long term yet either; and then 5.3 million in other water system improvements that are BAN (Bond Anticipation Notes) now that will go long term. If the Council approves this with everything, they'll end up with \$39 million in outstanding water debt long term. The \$4.5 million is going to add 38 to 40 cents to the rate, and this \$6 million loan will add another 52 cents. The principal forgiveness will be no less than 10 percent. So when he states the rates, it is hard to say. Some is ineligible for MWPAT, so they will be at current market rate. Everything that goes through MWPAT will be at 2% plus all the fees associated with the origination fees with MWPAT and administration fees. It is hard to pinpoint until they have the final numbers. It will probably be almost \$2 on the rate with the other \$5.3 million out in short term. They'll be up about \$10.75 at some point in time when Phase 3 is done. **Mr. Duggan** noted previous principal forgiveness was 20%; but it would be closer to 10%-20% forgiveness now. **Councilor McGeary** asked as with the CSO debt if they have the right to exclude this from a Prop 2-1/2. **Mr. Towne** stated they could do a debt shift. **Councilor McGeary** asked if they legally have the right to do so. **Mr. Towne** responded it is a vote of the Council, and they do have that right. **Mr. Duggan** added that it is only for utility debt.

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

**Ordered: That up to Six Million Dollars (\$6,000,000.00) be appropriated for the purpose of making improvements to the City's Public Water System including without limitation all costs thereof as defined in Section 1 of Chapter 29C of the General Laws; and to meet this appropriation the Treasurer, with the approval of the Mayor is authorized to borrow up to Six Million Dollars (\$6,000,000.00) and to issue bonds or notes thereof under Chapter 44 of the General Laws and/or Chapter 29C of the General Laws or any other enabling authority; that such bonds or notes shall be general obligations of the City unless the Treasurer, with the approval of the Mayor determines that they should be issued as limited obligations and may be secured by local system revenues as defined in Section 1 of Chapter 29C; that the Treasurer with the approval of the Mayor is authorized to borrow all or a portion of such amount from the Massachusetts Water Pollution Abatement Trust ("Trust") established pursuant to Chapter 29C and in connection therewith to enter into a loan agreement and/or security agreement with the Trust and otherwise to contract with the Trust and the Department of Environmental Protection with respect to such loan and for any federal or state aid available for the project or the financing thereof; and that the Mayor is authorized to enter into a project regulatory agreement with the Department of Environmental Protection, to expend all funds available for the project and to take any other action necessary to carry out the project; AND FURTHER TO ADVERTISE FOR PUBLIC HEARING.**

**4. Supplemental Appropriation-Budgetary Request (#2012-SA-5) from the DPW**

**Mr. Towne** explained this transfer is for funds needed for various paving and paving-related projects. **Councilor Ciolino** asked what those paving projects would be. **Mr. Cole** did not know at this time but would find out and let the Committee know. The paving is completed for this year; this is for next spring. He explained that the Highway Force Account is money that the State gives the City for the number of miles of road the City has.

**MOTION: On motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council to transfer (#2012-SA-5) \$25,000.00 from Highway Force Account, Unifund Account #294015 to Public Services Paving, Unifund Account #101000.10.470.58415.0000.00.000.00.058.**

**5. Grant Application and Checklist from Emergency Management Director re: 2009 Citizens Corps Program Grant from MEMA in the amount of \$2,500**

**Carol McMahon**, assistant to the Emergency Management Director stated this is a grant application for CERT funding for 2009. They get a letter informing them of a grant opportunity for a specific amount. They were given an opportunity for \$2,500. They intend to train more CERT members and only 30% of the funds may be used to purchase goods. They'll do some pro-active advertising and emergency planning. They have to spend it by June 30<sup>th</sup>. There is no match. **Councilor Ciolino** thought City Departments didn't need to come before B&F if there was no match and the grant amount was under \$10,000 level. **Mr. Duggan** had wished to bring this forward and go through the process. **Councilor McGeary** asked that Mr. Duggan send a memo to department heads explaining this policy of the Committee. However, regardless of the dollar amount of a possible award under \$10,000, if there is any kind of match, including in-kind, they would be required to come forward for permission to apply. **Mr. Costa** clarified that this particular grant before them is a federal grant that is passed through MEMA. **Ms. McMahon** anticipates they'll see a grant award at the end of the month and will send it through the Mayor's office. **Councilor Cox** declared she is a member of the Medical Reserve Corps which is related to CERT.

**The Committee determined that no action is required on this matter at this time.**

**6. Memorandum, Grant Application and Checklist from Police Chief re: Council acceptance of a FY12 State 911 Department Training Grant in the amount of \$130,864**

**Chief Michael Lane** explained to the Committee that his department had applied for the State Department of E911 funding for the new mandate that takes effect July 1, 2012 requiring all police personnel who staff primary public safety answering points to receive 24 hours of Emergency Medical Dispatch protocol training and certification as well as 4 hours of training in EMD software. The total grant application made was for \$130,864. On November 23, 2011 the GPD received notification they were to receive the full amount requested for the needed training. There is no match. The training will take place in the first six months of 2012, with the expectation that all training mandates will have been met by the implementation date. Priority Dispatch Corp. has been chosen to provide the training here at the police station. Not realizing there would be some further incidental costs he had applied for a supplemental amendment for the award. There is no match either cash or in-kind. Every police officer has the ability to be in dispatch, and it is required that all police officers must be trained. **The Chief** explained briefly the process the dispatcher goes through with EMD. They will not be doing a single button transfer to the Fire Department so they will be doing the dispatching for the Fire Department for the ambulance. They hope to start February 1<sup>st</sup> with the training. The training will be done in house. **Councilor Ciolino** asked how this money would be spent. **Chief Lane** stated the contractor gets \$62,000 and the balance will go towards overtime. **Councilor Verga** asked about the aid over the phone. Chief Lane stated the State 911 Department will not put the software on their computers and will rely on a card system for the verbal response with EMD. **Councilor Cox** asked if in the future the officers will be trained at the academy for this. Chief Lane stated no they won't be and will have to be trained when they are hired should the PD continue with dispatching as opposed to switching to civilian dispatchers. In response to **Councilor McGeary**, **Chief Lane** stated they still get the E911 salary support grant. **Councilor McGeary** acknowledged that the Committee was fully prepared to vote both the grant and the grant amendment just received by the Police Department for an additional \$9,125, which has now been put through the Mayor's Report and would appear for referral to B&F on Tuesday's City Council agenda. The Committee discussed with **Mr. Duggan** as how to proceed on the amendment as it was **Councilors McGeary** and **Ciolino's** belief that they should be able to vote both the original grant and the amendment this evening as the base grant is already before them. **Councilor Ciolino** felt a Councilor could request to withdraw the item on the consent agenda at the City Council meeting, which the Committee agreed it would do. **Councilor Ciolino** offered his thanks to the Chief for his efforts in securing this grant for ongoing education and training of his staff.

**MOTION: On motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council under MGL c.44, Sec. 53A to accept a grant from the State 911 Department, for a FY12 State 911 Department Training Grant in the amount of \$130,864.00.**

**MOTION: On motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council under MGL c.44, Sec. 53A to accept a grant amendment from the State 911 Department, for a FY12 State 911 Department Training Grant in the amount of \$9,125.00 for a new amended total of \$139,989.00.**

**7. Memorandum from Police Chief re: grants from MIIA, Loss Control Grant in the amount of up to \$5,000 And Risk Management Grant in the amount of up to \$10,000**

**Chief Lane** explained these two grant applications are from the City's insurer, MIIA. They suggested they apply for both of them that the insurer offers to municipalities. The Loss Control Grant of up to \$5,000, if awarded, and the other a Risk Management Grant, if awarded, would fund up to \$10,000. They applied for both grants and received them both. For the \$5,000 grant they'll look to get an evidence processing module. All lost property and seized property would be bar coded in, and the chain of custody preserved as it goes through court appearances, etc. The cost for that module would be slightly under \$3,000. The second item they would purchase is a prisoner watch station, a prisoner processing surveillance system. Every half hour the house officer must visually inspect the prisoner through the glass and press a button that registers he did so. They would be converting this onto a software program which registers on the watch commander's computer. Currently the record of that check is printed on a rolled piece of paper which is a 1970 machine and is obsolete. They're looking to convert the punches onto a software program which would register on the watch commander's computer. It would make an audio ping so he would know that it is registering on the software program. For the \$10,000 grant they would be looking for IP surveillance cameras for the booking area and one for the breathalyzer area. When he took over, one of the big concerns was the lack of surveillance systems in the cell block areas. They didn't have the money to do the booking areas well as the breathalyzer area. This would be around \$8,000. With the balance they'll looking to change out the push button entry systems with a swipe card entry system. It creates a permanent record of who enters and exits the building and when electronically. There is no cash or "in-kind" match required for either of these grants.

**Councilor McGeary** asked about the specific dollar amounts. **Mr. Costa** would be using those numbers as presented. **Councilor Ciolino** asked about who would install surveillance cameras associated with these grants. **Chief Lane** stated they will bring an outside person to do the installation and that they will have their in-house person observe the installation. In response to **Councilor Ciolino**, **Chief Lane** explained swipe cards associated with this system is recorded via a box with electric power that they can go on line and print out each individual who swipes their card. **Councilor Ciolino** congratulated the Chief for staying on top of these grants and obtaining them for the City.

**MOTION: On motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council to allow the Police Department under MGL c. 44, §53A -1/2 to accept two Grants from the MIIA, a Loss Control Risk Management Grant in the amount of \$9,980.00 for the purchase of Video Surveillance Equipment for Police Department Booking area and a Loss Control Management Grant for \$3,578.95 for the purchase a bar-coding system (MIPSS) for Police Department.**

**The Committee recessed at 8:08 p.m. and reconvened at 8:13 p.m.**

**8. Memorandum from the Licensing Board recommending fees for Cordials and Liqueurs**

**Mr. Duggan** explained to the Committee that the Licensing Board is recommending imposing a cordials fee for year round beer and wine licenses which is currently \$1,500 and a separate application is made for cordials and liqueurs which would add another \$500 on to their license to bring a total of \$2,000 annually for a beer and wine license. For seasonal beer and wine license the current cost is \$750; and there would be an additional fee of \$250 for cordials. It could potentially bring in \$2,500 to \$5,000 in additional revenue. The Board did look at other communities, Salem, Beverly. They tried to take figures between those communities. **Councilor Ciolino** pointed out the submission to the Council paperwork showed different figures for Seasonal Beer & Wine License holders: Cordial & Liqueurs Year Round Beer & Wine License holders: Cordials & Liqueurs. **Mr. Duggan** expressed he had confirmed the figures with the Chair of the Licensing Board and that the additional fees were \$500 for year round and the \$250 for the seasonal. These are just for beer and wine license holders. **Mr. Duggan** reiterated that he confirmed the fee structure but at the request of the Committee he stepped away from the meeting to recall the Chair of the Licensing Board because the Committee noted the minutes of the Licensing Board and the memo from the Licensing Clerk indicated Seasonal Beer & Wine License holders: Cordial & Liqueurs \$320 per year with a Total fee of \$1,070 yearly and Year Round Beer and Wine License holders: Cordials and Liqueurs \$480 per year with a Total fee of \$1,980 yearly. **Mr. Duggan** returned momentarily to explain to the Committee that Chairperson Harrison of the Licensing Board stated the numbers in the memo and minutes as part of the Committee's packet are the accurate

numbers and stood corrected. **Councilor Ciolino** noted people who are in the restaurant business have conveyed to him this is something worth adding and can be lucrative to increase their profit margin. **Councilor Verga** requested that for the public hearing if they could receive a report similar to that in the packet from Beverly, Mass., that gives a breakdown of the number of licenses for each category, their cost and what those licenses bring in annually similar breakdown for Gloucester. The Clerk of Committees would research information from the Council's June 14, 2011 agenda packet to see if the requested documentation was already available to the Committee. If not, the Clerk was instructed to obtain that information from the Licensing Board.

**MOTION: On motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council to adopt the License and Permit fees as proposed by the Licensing Board in a December 6, 2011 memorandum by ADDING: "Seasonal Beer & Wine License holders: Cordial & Liqueurs \$320.00 per year; Total fee \$1,070.00 yearly and Year Round Beer & Wine License holders: Cordials & Liqueurs \$480.00 per year, Total fee \$1,980.00 yearly;" AND FURTHER TO ADVERTISE FOR PUBLIC HEARING.**

**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, with comments by **Mr. Towne**. **Mr. Costa** pointed out that the Fire Department overtime will be in deficit spending soon. There is \$1,600 left in the account, but his understanding they will be exhausting it soon. **Mr. Towne** had informed him there would be something in the Mayor's Report to address this situation. **Mr. Duggan** addressed the Fire Department deficit and stated that there is a potential deficit coming of approximately \$12,000 to \$13,000. They will look to make a request to use free cash in order to support minimum manning for the period from now to February 14<sup>th</sup>. The parties are currently negotiating a new contract and are scheduled for mediation and are optimistic to potentially settle the contract and potentially come back again to the Council in the future to make another request for the balance of the year of overtime money. Anything that was set aside for free cash, this wasn't included. They would have to come back and look at their internal number. They're requesting \$30,000 in free cash now that will clean up the deficit that will come forward to the Auditor's office in the nearby for \$12,000 to \$13,000 and based on historical data, they are looking at an additional \$17,000 to \$18,000 to cover the overtime from the beginning of January to the middle of February to make sure to cover at least the contract for the minimum manning. They may be looking at another increment over a period of time. Or if successful they'll look through June 30<sup>th</sup> for additional overtime money. **Councilor Ciolino** pointed that this is not before them now. **Mr. Duggan** stated it would be in the Mayor's Report and be in their Council packet which would be released the following day.

**Motion: On motion by Councilor McGeary, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed agreed to commence their regularly scheduled evening meetings at 6:00 p.m. on the Thursdays before the City Council meetings.**

**A motion was made, seconded and voted unanimously to adjourn the meeting at 8:36 p.m.**

**Respectfully submitted,**

**Dana C. Jorgensson**  
Clerk of Committees

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