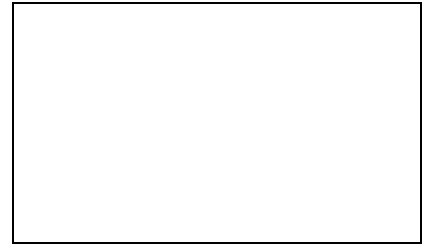




GLOUCESTER CITY COUNCIL CALENDAR OF BUSINESS
SPECIAL CITY COUNCIL
TUESDAY, JUNE 19, 2012
7:00 P.M.
KRYOUZ AUDITORIUM, CITY HALL
SCCM2012-005



FLAG SALUTE AND MOMENT OF SILENCE

AGENDA

FOR COUNCIL VOTE:
Adoption of FY2013 Budget

ACTION
(FCV)

ROLL CALL

Linda T. Lowe, City Clerk

The dates are subject to change. Check with City Clerk's Office.

NEXT REGULAR CITY COUNCIL MEETING, June 26, 2012

NOTE: The Council President may rearrange the Order of Business in the interest of public convenience.

The listing of matters is those reasonably anticipated by the Chair which may be discussed at the meeting. Not all items listed may in fact be discussed and other items not listed may also be brought up for discussion to the extent permitted by law.

CITY COUNCIL STANDING COMMITTEE

Budget & Finance

Wednesday, May 9, 2012 – 5:30 p.m.
3rd Fl. Council Conference Room – City Hall

FY13 BUDGET REVIEW #1 – REVENUES

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

Absent: None.

Also Present: Kenny Costa; Jeff Towne; Jim Duggan; Valerie Gilman; Kathy Clancy

The meeting was called to order at 5:40 p.m.

Pages 1 through 12, Tab 1 - Revenues for General Fund, reviewed as follows (FY13 Budget Transmittal Letter:

General Fund Revenue:	\$90,242,590
One-Time Revenue Sources	\$ 600,000
Reserve for Abatement & Exemption	\$ (400,000)
Charter School Expense	\$(2,260,430)
Debt Shift -CSO	\$(1,765,807)*
Total Net Available Funds for FY13	\$86,416,353

Revenues have increased by 3% this year over last year, noted as signs of an improving local economy, stabilizing state revenues, but also continued reliance on the tax increase allowable under Proposition 2½.

**This budget includes a debt exclusion for the on-going federally mandated CSO project. They are showing the revenue raised from the debt exclusion, however, an equal amount is taken as debt expenses resulting in a zero sum budget impact.*

Comments:

Jeff Towne, CFO reviewed the following:

- The FY13 budget is up approximately \$2.3 million as noted in the Mayor’s Memo (on file). Included within that \$2.3 million increase is: \$600,000 of one-time money allocated to the School Department to close the gap on what the School Committee requested; and \$1.9 million made of Proposition (“Prop”) 2½ and new growth, \$1.9 million. The administration budgeted \$450,000 last year for new growth and is estimated for FY13 at \$532,000 (raised by \$82,000 which equaled last year’s new growth; this number comes from the Assessors).
- The third portion is the Charter School loss of combination revenue of more assessments and same amount of money coming in, about \$650,000 (the net cost to the budget). It is \$2.26 million in Cherry Sheet charges/expenses (see Tab 2, page 95) versus \$2.1 million last year. Last year’s Cherry Sheet Charter Tuition Revenue (Tab 1, Page 1) was \$1.493 million. FY13 is \$899,000. The assessment is up about \$140,000; and aid is down about \$500,000 (about \$650,000 in total). Regarding Tab 2, Page 94, Mr. Towne explained when they set the budget last year it was \$2.17 million. At the recap \$2,069,730 was the figure that was used. Based on the House Ways & Means budget yet to be signed by the Governor, most recent Cherry Sheet is \$2,260,430 (see submitted document on file, Page 2). **Councilor McGeary** noted the Charter School gets pre-enrollment figure; and that is what they base their enrollment number upon which they base their enrollment number on which the assessment is charged. That is submitted to the State April 1st and is what the budget is based on. **Mr. Towne** pointed out the Cherry Sheet Manual, prepared by the Municipal Data Management Technical Assistance Bureau of the Department of Revenue (DOR) (available on line at: mass.gov) says Cherry Sheet assessments for the upcoming fiscal year based on, “pre-enrollment data of the upcoming fiscal year, Charter Schools are required to finish their enrollment reports by March 15th of the current year. The ESE reports to each district by April 1st the number of students who are anticipated to attend Charter Schools during the upcoming school year.” The Gloucester School Department is supposed to be notified of those enrollment numbers are going to be by April 1st each

year. He went on to read portions of this description to the Committee. Actual enrollment reports are to be submitted in October and March of the current year.

Mr. Towne gave a general overview of revenues for the Committee. Unrestricted General Government Aid is lottery money.

Tab 1, Page 1 – Cherry Sheet Revenues: The difference between Mr. Towne’s document (submitted and on file) and what is on this page is anything that says offset receipts is not budgeted and is spent without further appropriation by the Council. The Library is one example. There is \$10.687 million is in the House Ways & Means budget which is offset with the School Lunch and the School Choice receiving tuition. Those are not budgeted by the City, nor are public libraries. The only difference between that figure and the Mayor’s figure on page 1 is the \$180,000 or so of offset receipts. These are “pass throughs” (see Mass Dept. of Revenue Division of Local Services FY2013 Local Aid Estimates) The City’s Cherry Sheet revenues have gone up. They went up on Chapter 70, \$138,000; plus the \$244,000 up on the Unrestricted General Government Aid; and up on Veteran’s benefits. Veteran’s benefits are what the City spends and gets reimbursed 75% and is always a year behind so this number on the page represents what was spent the previous fiscal year. The increases partially offset the reduction in the charter tuitions (money they get back to ease the impact of the Charter School). That goes on for two more full fiscal years after FY13.

TOTAL Cherry Sheet Revenues:
FY13 Estimated Revenue **(\$10,488,535)**

Tab 1, Page 2 - General Fund Other State/Federal Revenues:

Line 41900 – Hotel/Motel Tax: **Mr. Towne** stated this stayed the same at \$400,000.

Line 41910 - Local meals taxes was raised by \$70,000 to \$400,000.

Line 47400 – Federal Payments on Behalf of Retirees: The drug subsidy money the City gets back was raised by \$30,000 to \$155,000.

Line 46202 - Mass School Building Authority – Debt Reimbursement: \$1,546,091. MSBA is for Veterans Memorial and the High School.

Line 46210 - The excise tax on Central Grammar stayed consistent (like a small PILOT).

Line 46805 - Medicaid Reimbursement (\$200,000) is for the schools. That formula has changed dramatically for money the City gets back for IEP’s for students in the school system.

Line 46811 – Other State: COLA – This is the amount the money the City gets for cost of living increase for retirees in the retirement system.

Other Federal/State Revenues:
FY13 Estimated Revenue **(\$ 2,766,591)**

Tab 1, Page 3 - Miscellaneous Receipts:

Line 48930 - Varian EDIC Payment (\$20,000) - This is for one remaining lot and is the fifth year the city has collected money on it.

Total for Revenues – Other, Miscellaneous
FY13 Proposed Revenue **(\$95,867)**

Tab 1, Page 4 -Treasurer/Collector:

Line 48201 – Interest Income (\$50,000): **Mr. Towne** noted interest income is at an all time low.

Line 41100 – Personal Property and Line 41200 Real Estate Tax was briefly reviewed. Personal property taxes will be \$1.528 million. The CSO Debt Shift is \$1.765 million. There was a discussion on the levy limit. The debt exclusion on Poles Hill remains until 2019.

Line 41500 - Motor Vehicles Excise Tax (\$2,800,000) is going up and was noted as a trend.

Line 41730 - Municipal Lien (\$57,600): This category is shown as going up by \$35,000 due to the fee increase voted by the City Council.

Line 41790– Tax Title Pen & Int. (\$100,000): Because the taxes are being collected in a more timely fashion, there is not as much interest on regular taxes.

Total for Revenues – General Fund – Dept. 145 – Treasurer/Collector

FY13 Proposed Revenue (\$68,515,207)

Tab 1, Page 5 - City Clerk: These revenues had little change.

Line 48402 – Other Misc: Elections (One Time) reflects the cost of the elections for 2012 and 2013.

**Total for Revenues – General Fund – Dept. 161 – City Clerk
FY13 Proposed Revenue (\$103,374)**

Tab 1, Page 6 – License Revenues:

**Total for Revenues – Dept. 163 Registration
FY13 Proposed Revenue (\$1,600)**

Line 44100 – Lic/Per: Liquor and Line 44209 Lic/Per: Business: Liquor license revenue is up a total of \$35,000.)

**Total for Revenues – Dept. 165 Licensing Board
FY13 Proposed Revenue (\$150,000)
Total for Revenues – Dept. 176 ZBA (\$ 10,500)**

Tab 1, Page 7 – Police-Administration

Line 42401 - Parking Meters (\$330,000): Revenue currently is \$270,000 with two months left to deposit. Parking kiosks are being installed by June 30th.

Line 47702 - Parking fines – It is anticipated revenues would be \$295,000.

**Total for Revenues – Dept. 210
FY13 Proposed Revenue (\$700,750)**

Tab 1, Page 8 – Fire Department:

Line 44507-Licences/Permits: Fee increases for licenses/permits issued by fire prevention will pay for a Fire Prevention clerk.

Line 42403-Ambulance charges (\$800,000): The conversion did not pan out well to the new company with collections. They will not make the projected \$900,000 in FY 2012, and are now looking at \$700,000 in revenues because of that conversion. **Mr. Towne** has been working with Sander Schultz, EMS Coordinator, to improve the situation. It is a conversion problem and a timeliness problem. They were conservative for FY13 in their estimates. They still have the same number of runs. Medicare is 76% of the total payments. The Fire Dept. changed billing companies because Mr. Schultz thought this would save money in the long run. Intermedix is a good company with a good reporting system. Ambulance runs have remained static from year to year. Training is also needed for the paramedics on the new reporting methods to help capture more billings in a more timely fashion by the billing company.

**Total for Revenues – Dept. 220
FY13 Proposed Revenue (\$887,500)**

Tab 1, Page 9 – Inspectional Services:

Line 44506 Electrical – this estimate was reduced by \$30,000 because they don't seem to be doing the volume.

**Total for Revenues – Dept. 241
FY13 Proposed Revenue (\$741,000)**

Tab 1, Page 10 - Shellfish Control

Line 44211 – Lic/Per: Clams: Clam licenses/permits have not been producing anticipated revenues and shows it down by \$10,000.

**Total for Revenues – Dept. 296
FY13 Proposed Revenue (\$ 25,000)**

Line 42404 – Trash Disposal Fees: Trash disposal fees were increased with to \$950,000 and Mr. Towne expressed that the Administration believes that is a good figure.

Total for Revenues – Dept. 403
FY13 Proposed Revenue **(\$950,000)**

Total for Revenues – Dept. 411
FY13 Proposed Revenue **(\$ 11,500)**

Tab 1, Page 11 - Public Property Maintenance:

Line 42400 – Parking Fees - Season Parking (\$186,000) and Line 42410 – Parking Fees Daily (\$1,703,000): Fees revenue is raised. The current revenue figure is now \$1.278 million with June collections still to be received in FY12. The City beaches had a great year last year. There was a discussion of credit card payments for kiosks which is being explored with their parking ticket company who has software which might help them. **Councilor Cox** encouraged the Administration to look hard at the credit card option and discussed credit card/debit card payment versus cash payment issues with Mr. Duggan and Mr. Towne. **Mr. Towne** stated the software and devices add more cost to the City with other fees associated with it as well. He would develop a full proposal through the Administration.

Line 43600 – Rent: Receipts (\$64,000): Beach concessions rental revenue is according to the new leases.

Line 44505 - Licenses under Public Health remains stable at \$120,000.

Total for Revenues – Dept. 421
FY13 Proposed Revenue **(\$ 2,000)**

Total for Revenues – Dept. 470
FY13 Proposed Revenue **(\$1,703,000)**

Total for Revenues – Dept. 510
FY13 Proposed Revenue(\$ 120,000)

Tab 1, Page 12 - Dept. 992 Special Revenue Fund.

Line 49700 Transfers In:

There is an overlay surplus to be declared by the Assessors; that money is available. Some of the contracts they're going to fund out of the operational budget (what would have been paid for in free cash). The Transfer in from the Stabilization Fund of \$150,000 was also included. The Mayor agreed that should be part of the regular operating budget which in the Mayor's opinion according to Mr. Towne, the \$600,000 is the offset for the loss of revenue because of the Charter School in order to get over the hump so they don't have a cut like they did for the School Department in FY12. **Councilor McGeary** stated once they don't need offsets they will live within their means. **Mr. Towne** added once the loss of revenue goes away they'll get the full impact of the new growth and Prop 2-1/2. There will be charges on the Cherry Sheet and be no offsets.

Valerie Gilman, School Committee asked when the Charter School overestimates their pre-enrollment how is this affecting the City's public school budget with State Chapter 70 monies which she expressed was an issue of concern. **Mr. Towne** stated when the Charter School estimates their enrollment higher; those numbers are estimated off that figure. That figure is adjusted to another figure when the State does the tax recap when the final numbers are in. **Councilor McGeary** noted the City still has to budget on the Cherry Sheet as released by the House, even though they know in all likelihood that charge will decrease once the real enrollment figures come in. **Mr. Towne** commented it may, but the revenue might decrease too. The offset enrollment is also tied to the actual enrollment, and is important to gain a better understanding of how this works to make better budget estimates. At this time, they budget on the worst case scenario. The School Department CFO and he need to fully understand this process to protect the City resources as they're setting the budget, which is a commitment they made to the School Committee. He pointed to Tab 2, Page 94 on School Choice and SPED, as an example also. **Ms. Gilman** noted **the city gets** a year reprieve for home schooled students and private schools that are attending the Charter School, even if the private school is in Gloucester. They need to make sure the numbers are accurate as missing ten students, for instance, would be financially significant.

Mr. Towne noted \$10,000 of Transfers In is for Title V program which will become part of the base pay of the Assistant CFO if the Council approves his department's reorganization. \$57,166 and the \$3,000 are for the

Conservation Agent which was brought into the General Fund last year by the City Auditor and is offsetting money that comes from conservation fees into the General Fund and paid out of the Community Development Department. **Mr. Towne** noted this money comes in to support the Betterment Assessment Debt, a project he is picking up this spring and summer in order to finalize it. He may look to the City's external auditors, Sullivan & Rogers to assist him follow through on this project.

There was a brief discussion on the School Department budget. **Mr. Towne** mentioned the Mayor's memo (on file) for her comments on the school budget by way of reference.

Total for Revenues – Dept. 992	
FY13 Proposed revenue	(\$ 670,166)
Total for Revenues – Dept. 994	
FY13 Proposed Revenue	(\$ 2,650,000)
Total for Revenues – Dept. 996	
FY13 Proposed Revenue	(\$ 250,000)
TOTAL FOR GENERAL FUND	
FY13 Proposed Revenue	(\$90,842,590)

Tab 2, Page 95 – Dept. 911- Pensions

The City receives a letter from PERAC each year telling of the contribution which is \$6,361,903, down lower than it could be if the Retirement Board didn't take action by expanded the funding schedule to 2037. About 91% is general fund, 4% sewer, 4% water and .5% Waterways Board. The \$27,000 reflects two employees that are not in the Gloucester retirement program.

FY13 Proposed Appropriation **(\$ 5,832,972)**

Tab 2, Page 96 – Dept. 942 - Regional Vocational School

The City's portion for Gloucester is 11.373% of their total based on 53 students out of a total of 466 students. The total overall assessment went down slightly. It includes the debt service. It will go up as it comes on line.

FY13 Proposed Appropriation **(\$ 967,781)**

Tab 2, Page 96 – Dept. 992 – Special Revenue Fund

FY13 Proposed appropriation **(\$ 35,000)**

(Transfer to revaluation fund to fund tri-annual revaluation of all properties.)

A motion was made, seconded and voted unanimously to RECESS the meeting at 7:12 p.m. until Thursday, May 10, 2012 at 5:30 p.m. to review the School budget in Kyrouz Auditorium, City Hall.

Respectfully submitted,

Dana C. Jorgenson
Clerk of Committees

DOCUMENTS/ITEMS SUBMITTED AT MEETING:

- **Mass Dept. of Revenue Division of Local Services FY2013 Local Aid Estimates from Mr. Towne**

CITY COUNCIL STANDING COMMITTEE
Budget & Finance

Thursday, May 10, 2012 – 5:30 p.m.
Kyrouz Auditorium – City Hall

FY13 BUDGET REVIEW #2 – SCHOOL DEPARTMENT

Present: Chair, Councilor Paul McGeary; Vice Chair, Councilor Joseph Ciolino; Councilor Melissa Cox
Absent: None.

Also Present: Kenny Costa (5:50 p.m.); Jeff Towne (6:32 p.m.); Dr. Richard Safier, Superintendent; Tom Markham, CFO Schools; School Committee Members Jonathan Pope, Val Gilman, Kathy Clancy and Tony Gross; and Principal Gregg Bach.

The meeting reconvened at 5:37 p.m.

Tab 3 – Schools Budget, reviewed as follows:

The School Committee Proposed FY2013 Operating Budget was provided, together with the FY2012 Budget Adjustment Report and FY2013 Level Service Budget Proposal voted by the School Committee on March 14, 2012, which indicates an FY13 proposal of \$36,168,452, for an increase of \$1,961,479 from the FY12 Adjusted Budget, or a 5.73% increase.

Jonathan Pope, School Committee Chairman, stated that the School Committee passed a budget of \$36,168,452 after much deliberation and that they did not arrive at that figure lightly. While the Mayor's recommendation of \$35,032,855 is an increase of \$1,350,000 over last year's voted budget, **Mr. Pope** reminded the committee that last year's vote resulted in 41 layoffs and that there is still a shortfall of \$1,135,597. He stated that the School Committee is not in a position to speak tonight as to what that cut will entail and that the Superintendent will present the budget as voted by the School Committee.

Dr. Richard Safier, Superintendent of Schools, presented the FY13 Proposed Level Service/Critical Needs Budget, including FY12 education successes, education goals for FY13, FY12 personnel cuts of \$1,117,731 (41 staff), non salary/program cuts of \$871,125, critical needs, the BSRI initiative, funding losses, and FY13 increases. He also presented and reviewed the following:

- The case for the Bay State Reading Institute in all five elementary schools, which will provide equal opportunity for all students, consistency in literacy instruction, the precise application of data, the provision of specific interventions to meet individualized needs, enrichment opportunities for students, and the imperative to increase student achievement. He provided data on the increase in benchmark reading levels under BSRI.
- The district FY13 budget summary, including non-salary/ordinary expenses of \$11,829,590 and \$24,338,862 in salary and personnel expenses, which includes provision for a 1% cost of living adjustment of \$255,194.
- The loss of funding for FY13 of \$487,219, salary increases of \$381,562 and non-salary increases of \$1,092,698, for total cost increases of \$1,961,479.
- A comparison of North Shore teacher salaries which shows Gloucester at the bottom of the scale.

Tom Markham, School Department CFO, reviewed the 13 major categories of the school budget showing adjustments in terms of increases and decreases. He stated that part of his assignment was to maintain all staffing levels and to assume into the budget the losses that will be coming from the elimination or reduction of certain grants, particularly special education and Title I funding. He stated that this budget does not include the pending

move of the preschool or \$1.3 million of needs for an adequacy budget. **Councilor Ciolino** questioned which grants the School Department is losing, and **Dr. Safier** stated that many of them are entitlement grants, such as Title I and the federal stimulus money, as well as the Gloucester Education Foundation grant, for a total of \$487,219.

Councilor Ciolino stated that their committee was told last night that \$1 million of the shortfall could be made up by some deduction in benefits. **Dr. Safier** indicated that the School Committee just received the Mayor's figure on Tuesday and that they are not in a position tonight to discuss any reconciliation with her figure. The School Committee will begin to look at things like the contingency fund, Cost of Living Allowance (COLA), and ordinary supplies, which have a direct impact on what takes place in the classroom. He stated that whatever they can do to minimize any loss of positions is certainly the position that the School Committee will be taking in its deliberations on the budget.

Councilor McGeary stated that in the Mayor's cover memo that went out with the budget, she suggested that up to \$805,000 could be reduced from the school budget without making personnel cuts through things like a 50% reduction in contingency, savings from retirement, reduction in unemployment, circuit breaker increase, and leverage of anticipated FY12 free cash. He stated that even if that was acceptable to the School Committee, there would still be a \$350,000 shortfall. He also indicated that \$300,000 of the Mayor's recommendation is not properly a cut but a deferral. He believes she is recommending it be taken out of the budget and appropriated from free cash. **Mr. Pope** stated that the Mayor is not in a position legally to make any line item changes in the school budget. Her opinion as to what should be cut does not mean anything until the School Committee has deliberated on the cuts. He reiterated that they are not in a position to talk about cuts at this time. The Building and Finance Subcommittee will meet next Wednesday and start to look at what might be cut from the budget.

Councilor Ciolino stated that the committee should revisit the school budget because they need to know exactly what the School Committee can and cannot make up. **Mr. Pope** indicated that the School Committee will have to deal with whatever is appropriated but that, as of right now, without any deliberation as a committee, they are not in a position to talk about anything other than the budget that is in front of the committee tonight.

REVISIT – School Department budget, Friday, June 1, 2012 at 9:00 a.m.

Councilor Ciolino questioned whether the School Committee considers their budget a level service budget and the Mayor's budget a level funded budget. **Dr. Safier** stated that the Mayor's budget technically is not level funded from FY12. The budget the School Committee is proposing is level service with some critical needs, as well, which are designed to remediate and redress situations where there is a shortage, such as in special education services. It is also the material behind the educational program. He indicated that if we are going to move the district forward, we need resources to make a difference.

Councilor Cox questioned why the revenues are down for athletics gate receipts in FY13, and **Mr. Markham** indicated that is a reflection of the inability to use Newell Stadium. Football and soccer games will be played at either Gordon College or Endicott College, which will result in an offset for the cost of the rental of those fields. **Councilor Cox** also questioned the elimination of the GFAA scholarships, and **Mr. Markham** stated that the GFAA will be giving the money directly to the students and not to the district. He pointed out the increase in the student/athlete fees and stated that the GFAA's contribution will be the same but that it will come to the district in a different way. **Mr. Pope**, who is also President of the GFAA, stated that the GFAA will budget the same amount of money to reduce athletic fees. However, rather than giving the money to the School Department, it will all be used in individual scholarships to students.

Councilor McGeary asked about the out-of-district special education population, and **Dr. Safier** indicated that there are 66 out-of-district special education students. **Councilor McGeary** also asked about the innovation grant that was applied for with respect to the preschool move. **Dr. Safier** indicated that they did not receive the grant but that Pathways is looking at the possibility of a donor for \$500,000 or a portion of that money. The other option would be for them to apply for a mortgage.

Councilor McGeary asked how the \$60,000 per year for BSRI would be spent. **Dr. Safier** stated that they have two consultants who are in the buildings at least twice a month who work directly with the literacy coaches and principals and visit classrooms. BSRI personnel also help to construct and conduct three data team meeting sessions involving grade level teachers and their paraprofessionals, making recommendations, identifying successes, celebrating those successes, and talking about individual needs, diagnosing where students are having difficulties and what the proper intervention should be. There is also summer professional development for which teachers are paid about \$100 a day by BSRI and the School Department makes up the difference. **Councilor McGeary** stated that he saw BSRI in action at Beeman recently and he was very impressed.

Kathy Clancy, School Committee Building & Finance Subcommittee Chairperson, stated that the budget that is before the committee has nothing luxurious or additive in it. The School Committee is trying very hard to move our students forward, and the leadership team has worked hard to not only put forth their request for BSRI but also do all the work in their own schools to set up common planning time and professional development and to help each other do their jobs better. She requested that when the committee is looking at the budget, that they remember that the School Committee cut tremendously last year and that they really need the resources for our students.

Councilor McGeary noted that under state law, the City Council can only reduce budgets, with the one exception of the School Committee budget, which they can increase. However, they are bound to find equivalent cuts elsewhere in the budget.

RECESS: The committee recessed the meeting at 6:36 p.m. until Tuesday, May 15, 2012 at 5:30 p.m., at which time the DPW budget will be reviewed in the City Council Conference Room, City Hall.

Respectfully submitted,

Maria C. Puglisi
Substitute Recorder

DOCUMENTS/ITEMS SUBMITTED AT MEETING:

- **The Gloucester Public Schools School Committee Proposed FY2013 Operating Budget from Mr. Markham**
- **The Gloucester Public Schools FY2012 Budget Adjustment Report and FY2013 Level Service Budget Proposal, from Mr. Markham**

REVISITS:

- **School Department Budget, 6/1/12 at 9:00 a.m., City Council Conference Room, City Hall**

CITY COUNCIL STANDING COMMITTEE
Budget & Finance

Tuesday, May 15, 2012 – 5:30 p.m.
City Council Conference Room – City Hall

FY13 BUDGET REVIEW #3 – DPW

Present: Chair, Councilor Paul McGeary; Vice Chair, Councilor Joseph Ciolino (5:52 p.m.); Councilor Melissa Cox

Absent: None.

Also Present: Kenny Costa; Jeff Towne (5:36 p.m.); James Duggan; Michael Hale, Director of Public Works; Mark Cole, Operations Manager of Public Services; James Cook, Member of Magnolia Woods Oversight and Advisory Committee

The meeting reconvened at 5:34 p.m.

Councilor McGeary indicated that the water and sewer enterprise funds will not be reviewed at this meeting, but there may be some overlapping among DPW departments.

Pages 69 through 83, Tab 2 – DPW Budget, reviewed as follows:

Department 472 – Public Property Maint-Schools – Pages 77-80

Michael Hale, Director of Public Works, indicated that this department includes all facilities, not just schools.

Line 51100 – Salaries/Wages – Full Time (\$1,364,409):

Mr. Hale stated that he was asked to put a plan together to address the ongoing custodial issues by funding the schools as close to fully staffed as possible. His request included two full-time custodians in each elementary school, which would provide coverage in the afternoon. When it became obvious that that plan was not going to be funded, a cleaning service was contracted to supplement the afternoon shift. **Mr. Hale** stated that a full-time custodian's salary is between \$38,000 and \$44,000 and that you can get considerably more hours for that money with a contracted service. **Mr. Towne** stated that the city is also saving the cost of health insurance, dental insurance and pension for the contractor. **Councilor McGeary** requested that **Mr. Hale** provide a figure for loaded wages for a custodian versus loaded hourly charges for a contractor.

Mr. Hale explained that Line 51100 reflects trade staff, management, clerical staff, and custodial staff. All of the elementary schools have one FTE and the balance is filled by part-time help, which is reflected in Line 51300 (Sal/Wage-Overtime) and Line 52000 (Outside Cleaning Contract), which also includes the police station.

Mr. Hale stated that he has to begin the fiscal year with personnel funded.

REVISIT DEPT. 472, LINE 51100 (\$1,364,409), PAGE 77 – \$9,460

Mr. Hale stated that the HVAC tradesman was hired seven months ago with a six-month probationary period, with the understanding that after the six months he would be paid at the same level as the city plumber (\$60,362).

Line 52000 – Contracted Services (\$663,000):

Councilor McGeary asked what the work order account is, and **Mr. Hale** stated it is for contract services, such as elevators. **Councilor McGeary** noted that this line item is up \$186,000 over the FY12 working budget, and **Mr. Towne** explained that that is the working general ledger budget right now. DPW pulled out over \$100,000 to give their employees back the \$2.00 cut and put it back into wages because they retained all of those employees. DPW was given \$100,000 in free cash for outside contracts and they are now beefing it up to try to retain it at that level in FY13. The \$1,491,009 total for personnel expenses represents all of the employees from last year.

Mr. Hale stated the only new hire is the assistant carpenter, who was moved out of Dept. 470 into Dept. 472.

Councilor McGeary asked whether \$200,000 will be enough for the outside cleaning contract, and **Mr. Hale** stated that that covers the contract with the schools (21 hours a day at the high school and 14 hours at O'Maley) plus the police station. The police station had a dedicated custodian working 40 hours a week in a building that is open 24/7,

and any calls outside of those 40 hours were time-and-a-half or double time. Starting on June 1st, a cleaning company will work at the police station seven days a week, eight hours a day, and will be on call 24/7. The city custodian will be transferred to O'Maley to replace a custodian who had a stroke. **Mr. Towne** noted that if eight new custodians were added to the schools at \$38,000 each, the administration would take on about \$310,000 in wages, plus health insurance and retirement contribution. **Mr. Hale** indicated that some of the per diem custodians are retired custodians who cannot work full-time.

Line 51400 – Sal/Wage-Longevity (\$20,600)

REVISIT DEPT. 472, LINE 51400 (\$20,600), PAGE 78 – \$800.00

Mr. Towne stated that when he was putting the names in the budget, he inadvertently deleted someone for \$800.

Line 54510 – Custodial Janitorial Supplies (\$70,000): This line item is low this year but does not need to be fully funded on July 1st.

Line 52150 – Natural Gas-Heating (\$225,000): The price for natural gas is down this year and they have locked into a short-term rate to maintain it.

Department 470 – Public Property Maint – Pages 72-76

Line 51100 – Salaries/Wages – Full Time (\$614,704):

Mr. Hale stated that these are the employees who plow snow, clean beaches, cut grass, and fill potholes. He is down four employees department-wide this year (down eight in the last three years), and he hopes to replace three of them this year. He also stated there is a missing position. **Mr. Towne** stated that the sidewalks around the library were cut (\$44,000) as they are not a priority this year, and tree removal was cut back from \$50,000 to \$30,000.

REVISIT DEPT. 470, LINE 51100 (\$614,704), PAGE 72 – Restoration of Position

REVISIT DEPT. 152, LINE 51750 (\$5,000,000), PAGE 15 – Restoration of DPW Position

REVISIT DEPT. 152, LINE 51840 (\$470,000), PAGE 16 – Restoration of DPW Position

James Cook, Member of the Magnolia Woods Oversight and Advisory Committee, read the committee's statement regarding the status of Magnolia Woods as a former landfill and a current recreational facility. He reminded the subcommittee that the landfill is an ongoing obligation and that there are maintenance issues with regard to the playing fields that need to be addressed annually. **Mr. Hale** stated that access there is very tough and parking is a problem. He also indicated that the landfill was never officially certified as being closed. Weston & Sampson is working on getting the landfill officially closed, developing a maintenance plan, and preparing an overall facilities plan which will be submitted to the City Council once it is fully vetted through the advisory committee. **Mr. Hale** hopes to have a deliverable from Weston & Sampson this summer on the closure and the next step moving forward. He stated that they have tested for gas and groundwater quarterly since 2008 in compliance with the regulations. They also mow and cut down saplings. **Councilor McGeary** asked if the facility requires any special attention to ensure it does not get any worse, and **Mr. Hale** stated that it always needs to be treated as a closed landfill. The issue with the closure is the percentage of organics in the topsoil. As far as safety is concerned, the landfill is capped and they have not seen any severe settlement. **Mr. Hale** stated that landfills are dynamic and that the DPW will need money every year to maintain it. There will be an expectation that the city needs to contribute annually to this maintenance, and he believes PARC grants may be available. The facility may also be eligible for CPA funds. **Mr. Cook** stated that when the closure committee turned the landfill into a recreational facility 12-14 years ago, they knew issues would come up later and that an additional investment would be needed after people started using it. He indicated that the advisory committee is doing a site visit on June 2nd and then will have another meeting after that.

Line 54890 – Signs & Maps (\$15,000):

Councilor Ciolino asked whether there is money in the budget to comply with the state’s requirement for reflective signs. **Mr. Hale** indicated that reflective signs cost three times more than regular signs. **Mark Cole, Operations Manager of Public Services**, stated that any signs that they are replacing right now are being replaced with reflective signs but that they have not replaced any signs that do not need replacing.

Line 52181 – Downtown Improvements (\$20,000): **Councilor Ciolino** noted that “CDC” should be “DDC.”

Other Comments:

- **Councilor Ciolino** asked what is going to happen to the old parking meters. **Mr. Hale** indicated that they are at the police station now and will be used once the kiosks are set up and spacing has been adjusted. **Mr. Towne** stated that meters that are now programmed for ten hours cannot be reprogrammed for two hours.
- **Councilor Ciolino** asked whether there is any new equipment in the budget, and **Mr. Hale** stated that they have done pretty well with vehicles the last couple of years. **Councilor Cox** asked if a street sweeper is in the budget, and **Mr. Hale** indicated that it is on the capital list (\$200,000). The street sweeper has been down a lot this spring, but they have hand-swept the sidewalks on Main, Rogers and Washington Streets, Stacy Boulevard, and Eastern Avenue.
- **Councilor Ciolino** asked whether there would be any money left to power wash the sidewalks downtown after construction is done, and **Mr. Hale** indicated there is no money for that but it will eventually wear away.

Department 499 – DPW-Other – Pages 82-83

Line 52130 – Street Light-Power/Serv (\$370,000): The city pays for the street lights on Main Street, with the exception of the four by the Weathervane which are National Grid lamps.

Line 52000 – Contracted Services (\$27,000): **Mr. Towne** noted the new gas pumps in this line item (\$10,000) to replace the pumps at the DPW.

Department 423 – Snow and Ice Removal – Pages 70-71

Councilor McGeary noted that there was a goal of trying to get to \$800,000 in this department since that was the historical average for snow and ice. **Mr. Towne** does not believe it should be increased because DOR does not allow transfers out of snow and ice to offset other expenses. He suggested establishing a separate stabilization fund for emergencies that is funded to the eight-year average. He indicated there is no impact on free cash from snow and ice deficits. It either has to be covered within the operating budget or appropriated in the following fiscal year. **Mr. Hale** stated that the \$650,000 would cover two big storms. **Councilor McGeary** asked whether we would be taking a risk by depending on free cash for unanticipated expenses, and **Mr. Towne** stated that we take a risk every year in this category. **Mr. Hale** stated that they can only stockpile 600 to 800 tons of salt and that if they had a bigger salt bin, he could get it delivered in the spring for less. They go through a full bin in three days because there is an expectation that the roads are black. **Mr. Towne** stated that all of the lines in this department are significantly lower than what has been used in the past. They put a certain sum in each line and keep it consistent year-to-year.

Line 52970 – Snow/Ice-Contract (\$223,400): Contractors are paid hourly.

Department 421 – DPW-Highway Admin – Page 69

No significant changes.

Department 411 – Engineering – Pages 67-68

Mr. Hale stated that this department is down to two employees. They will put one more employee here who will share his time with the environmental engineer. **Councilor McGeary** asked what sort of things this department does, and **Mr. Hale** stated that it is a charter position. The employees report to him and are in charge of street layouts, surveys, capital construction projects, and keeper of records for the city in terms of water and sewer.

Line 52620 – Office Equipment Maint (\$5,176): There is a revenue source associated with copies.

Department 403 – Solid Waste Disposal – Pages 65-66

Mr. Hale indicated that the contract with Hiltz expires in two years. **Councilor McGeary** requested a cost estimate for recycling pickup at condos and multi-family units. **Mr. Hale** stated that tipping fees have gone down considerably with weekly recycling. Gloucester used to throw away 18,000 tons of trash a year and it is now down to 7,000 tons. He also stated that Hiltz has a recycling center on Kondelin Road.

Line 54000 – Supplies (\$125,000): Bag prices are increasing slightly this year. This could be a revisit later in the year.

Councilor McGeary noted that he and **Councilor Cox** have a 7:00 Cultural District Town Hall on May 29th and that there is a 5:30 revisit scheduled for that night. The revisit meeting was changed to 5:00 p.m.

A motion was made, seconded and voted unanimously to RECESS the meeting at 7:22 p.m. until Monday, May 21, 2012 at 5:30 p.m., at which time the Police budget will be reviewed in the City Council Conference Room, City Hall.

Respectfully submitted,

Maria C. Puglisi
Substitute Recorder

DOCUMENTS/ITEMS SUBMITTED AT MEETING:

- **Magnolia Woods Oversight and Advisory Committee Statement from Mr. Cook**

REVISITS:

- **Department 472, Line 51100, Page 77 – \$9,460**
- **Department 472, Line 51400, Page 78 – \$800.00**
- **Department 470, Line 51100, Page 72 – Restoration of Position**
- **Department 152, Line 51750, Page 15 – Restoration of DPW Position**
- **Department 152, Line 51840, Page 16 – Restoration of DPW Position**

REQUESTS FOR INFORMATION:

- **Figure for loaded wages for a custodian versus loaded hourly charge for a contractor**
- **Cost estimate for recycling pickup at condos and multi-family units**

CITY COUNCIL STANDING COMMITTEE

Budget & Finance

Monday, May 21, 2012 – 5:30 p.m.

City Council Conference Room – City Hall

FY13 BUDGET REVIEW #4 – POLICE

Present: Chair, Councilor Paul McGeary; Vice Chair, Councilor Joseph Ciolino; Councilor Melissa Cox
Absent: None.

Also Present: Kenny Costa; James Duggan (6:03 p.m.); Councilor Sefatia Romeo Theken (5:57 p.m.); Police Chief Michael Lane; Heidi Fialho, Police Department Financial Coordinator

The meeting reconvened at 5:40 p.m.

Pages 28 through 45, Tab 2 – Police Budget, reviewed as follows:

Police Chief Michael Lane stated there is a very minimal increase in several overtime accounts, which would account for the 2% raise for FY13, and indicated that his request for two new cruisers has been cut to one. The new cruiser will most likely be a Crown Victoria. **Chief Lane** indicated that he used seizure money to buy a new supervisors' car, and their old car is now going to be a K-9 car. He also bought three unmarked detective cars with seizure money. The Mayor's budget provides for one additional patrolman effective July 1, 2012 and an additional lieutenant to fill a vacant position effective April 1, 2013, who will be assigned either to the court or as an administrative lieutenant. Should the new chief come from outside of the department, **Chief Lane** believes that it will be crucial to have an administrative lieutenant to aid the new chief.

Department 210 – Police-Admin – Pages 28-30

Line 51100 – Salaries/Wages-Full Time (\$240,216): The Police Chief's salary of \$115,000 reflects the high end of the new chief's salary (worst case scenario).

REVISIT DEPT. 210, LINE 51100, SALARIES/WAGES-FULL TIME (\$240,216), PAGE 28

Jen Whaley's position is due to be upgraded.

Line 51300 – Sal/Wage-Overtime (\$35,724): This is the Fiesta account. They also receive \$5,000 from the Fiesta committee.

Line 51450 – Personal Services: Holiday Pay (\$0): This will be rolled into the new chief's salary.

Line 51920 – Personal Services: Sick Leave Buy-Back (\$12,980): This is for superior officers. The rest of the requested \$49,001 will be paid out of the Personnel Department because the superior officers are going from 250 sick days to 180.

Line 51950 – Personal Services: Career Incentive Pay (\$0): This is now part of the job requirements for the new chief.

Line 52000 – Contracted Services (\$5,191): The department's request for \$20,191 included IT services of \$15,000.

Line 53004 – Employee Training Seminars (\$9,900): Includes the physical abilities test.

Department 211 – Police-Uniform – Pages 31-41

The budget includes 53 uniformed officers (11 superiors and 42 patrolmen) and four detectives. There will be a twelfth superior effective April 1, 2013.

Line 51300 – Sal/Wage-Overtime (\$61,000): Cut from \$85,000.

Line 51320 – Personal Services: Overtime E911 (Patrolmen’s protocol account) (\$109,754): Cut from \$169,754 due to receipt of \$60,000 from the state. Patrolmen by contract are required to have seven people on a shift, three inside and four on the street. This account is used to maintain that staffing level when someone retires or dies and his replacement goes to the academy for six months.

Line 51350 – Personal Services: Court Overtime (\$80,000): There is still a fair amount left in this line item because the court has not yet moved to Salem.

Line 51360 – Personal Services: OT Beach (\$46,000): Cut from \$59,597.

Line 51370 – Personal Services: OT Sup (\$130,000): Cut from \$164,949. They are down a lieutenant and a sergeant. Supervisors by contract are required to have a watch commander in the station and a street supervisor out on the street.

Comments

- **Councilor McGeary** noted an approximate \$700,000 difference in total personnel expenses between the department’s request and the Mayor’s request. **Chief Lane** indicated that the difference comes from the three patrolmen he requested and did not get, the nine months of the lieutenant he did not get, and the above cuts in overtime.
- Action plan for contractors who have not paid for police details – **Kenny Costa** stated there is a revolving fund for these payments and that he works with **Ms. Fialho** on collections. He stated that amounts over 90 days past due are hard to collect. **Councilor Ciolino** asked **Ms. Fialho** to research whether companies that do not pay are banned from getting a permit from the DPW.
- **Councilor Ciolino** asked about the security cameras. **Chief Lane** indicated they are working fine.
- **Councilor McGeary** asked about the cleanliness of the police station, and **Chief Lane** indicated that the city has hired a private cleaning contractor. There will be a heavy cleaning of the station next week using \$10,000 received from free cash. **Councilor Romeo Theken** recommended checking green cards and work permits of the employees of the cleaning company.
- **Mr. Costa** asked whether the COPS grant has been awarded yet, and **Chief Lane** stated he did not get the grant.

Line 52000 – Contracted Services (\$33,855): Down \$39,939 from the FY12 working budget as a result of being underfunded or earmarked for free cash. This includes items such as FCC radio license, watchtower maintenance, software support fee of \$12,000, K-9 visits and kenneling, etc.

Line 52820 – Rent/Lease Office Equipment (\$5,461): The generator has been installed.

REVISIT DEPT. 211, LINE 55800, OTHER SUPPLIES (\$5,379), PAGE 41 – \$2,400

Ms. Fialho stated that “uniforms new hire” was cut from \$5,000 to \$2,404. This includes an additional \$2,400 for Brian Quill’s replacement, who was supposed to start in FY12 but who will be going to the academy in November. A patrolman will move up to sergeant and a sergeant will move up to lieutenant, which will require another \$2,400 later in the fiscal year. **Mr. Duggan** suggested that this would be a priority to be earmarked for free cash.

Line 55870 – Ammunition (\$6,000): Cut from \$12,500. **Chief Lane** agreed to take a year of a cut in ammunition, which turned into three years. They now need more ammunition. To save money they have been using frangible ammunition during training. **Mr. Duggan** was hoping that they could buy as much ammunition as possible now to carry over into FY13.

Line 58720 – Replace Automobiles (\$55,501): **Chief Lane** stated that their two pickup trucks are now seven years old and are used very sparingly, mostly in the winter since they have 4-wheel drive. He hopes to get another year or two out of the pickups.

REVISIT DEPT. 211, LINE 58720, REPLACE AUTOMOBILES (\$55,501), PAGE 41 – \$13,000.00

The lease payments for an additional cruiser would be \$13,000 a year for three years.

Department 212 – Police-Investigation – Pages 42-43

Chief Lane stated that four patrolmen and a lieutenant are assigned to this division. They work 8 a.m. to 4 p.m. on a rotating schedule with regular assignments on weekends. He has recently allowed the local detectives to take their cars home, which are outfitted with jump kits so they don't have to come to the station first if they get called at home.

Line 51300 – Sal/Wage-Overtime (\$49,320): The detectives have spent all of their money this year on overtime investigations. **Chief Lane** has kept them from doing certain things this year that were not budgeted. He stated that they are very conscientious in their use of overtime and it is money well spent.

Department 216 – Police-Harbors – Page 44

Line 51300 – Sal/Wage-Overtime (\$13,100): Cut from \$24,584. They were looking to staff a second person for weekend patrol but will staff them off the shift as they can afford it. They have the use of the harbor master's boat on the weekends. They have also taken the boat out a few times in the evening as needed. **Councilor McGeary** stated that the New Bedford fire and rescue boat that is currently at Fuller School will also be available as needed.

Department 218 – Police-Parking – Page 45

Mr. Duggan stated that the parking kiosks should be in by the end of June. They will be located on Rogers Street, the Gloucester House parking lot, outside of City Hall on Warren Street, the Pleasant Street parking lot, and the I4-C2 lot. The city is looking at the kiosks as revenue neutral. However, there are monthly software fees associated with the kiosks, as well as credit card charges of \$0.23 per transaction for the 10-hour meters. The two-hour meters will only accept dollar bills and coins.

Line 51100 – Salaries/Wages-Full Time (\$35,163): There is one full-time PEO who works Tuesday through Saturday and one part-time PEO who works Monday and Saturday. The beach neighborhoods are patrolled on Saturdays and Sundays in the summer.

Line 52570 – Parking Meter Maint (\$11,085): **Chief Lane** does not believe the old meter heads are at the police station.

Department 292 – Animal Control – Page 63

Line 51100 – Salaries/Wages-Full Time (\$49,832):

The animal control officer works Tuesday through Saturday from 7 a.m. to 3 p.m. but will occasionally come in at 6 or 8 a.m. **Councilor Ciolino** suggested that he occasionally adjust his schedule to be at the beach when the lifeguards leave. **Councilor Romeo Theken** suggested that during the summer, he take a day off during the week and work on Sunday. **Councilor Ciolino** reported that he constantly gets complaints about the animal control officer not returning phone calls. **Chief Lane** has talked to him several times about it and was told he calls in to get his messages. **Councilor Ciolino** asked the chief to find out if he is returning his phone calls.

Comments:

- The animal control officer may give tickets to people who do not pick up after their dogs. **Councilor McGeary** stated that it would be helpful if there were special receptacles at the beaches for dog waste.
- **Councilor Romeo Theken** suggested posting signs at the boulevard and the beaches regarding the leash law.

RECESS: The committee recessed the meeting at 7:06 p.m. until Thursday, May 24, 2012 at 4:00 p.m., at which time the Legislative/Regulatory budget will be reviewed in the City Council Conference Room, City Hall.

Respectfully submitted,

Maria C. Puglisi
Substitute Recorder

DOCUMENTS/ITEMS SUBMITTED AT MEETING: None.

REVISITS:

- Department 210, Line 51100, Page 28
- Department 211, Line 55800, Page 41 – \$2,400
- Department 211, Line 58720, Page 41 – \$13,000.00

REQUESTS FOR INFORMATION: None.

CITY COUNCIL STANDING COMMITTEE
Budget & Finance
Thursday, May 24, 2012
CC Conference Room – City Hall

FY13 BUDGET REVIEW # 5 – Legislative/Regulatory

**Present: Councilor Paul McGeary; Vice Chair, Councilor Joseph Ciolino;
Councilor Melissa Cox joined the meeting at 4:45 p.m.**

Also Present: Kenny Costa; Jeff Towne; Jim Duggan

The meeting reconvened at 4:15 p.m.

**FY13 Budget Review – Board of Health; Inspectional Services; Shellfish; Treasurer/Collector
City Council, City Clerk, Registrar, Auditor, Licensing Board, ZBA**

**Departments taken out of order: Zoning Board, Licensing Board, Registration, City Council, Auditor,
Treasurer Collector**

Opening Statement by Mr. Duggan, CAO:

Mr. Duggan provided a memorandum dated May 24, 2012 regarding Senior Managers Reclassifications and briefly reviewed the rationale behind the positioning. A copy of this memorandum is included as a part of the documents received at this meeting.

Councilor McGeary noted there are some raises above the thirteen percent average; and, **Mr. Duggan** commented that the rationale was consistent across the board. **Councilor Ciolino** stated that the Committee has to explain logic and reasoning to the full City Council. The City Council voted ranges in place and was led to believe no one would end at the top of the scale. **Councilor McGeary** stated that the Committee will deal with the raises department by department, position by position.

Department 510 – Public Health – Page 84-85

Present for this portion of the meeting were: Noreen Burke, Public Health Director; Max Schenk, Manager, Environment Health Services; Terry O’Hanley, Principal Clerk; and Joe Rosa, Member of the Board of Health.

Ms. Burke reviewed the Public Health Budget and invited questions from the Committee. A reorganization plan is in process which will incorporate all facets and reflect the new reality and needs of public health. She further noted that there is less grant funding available, but the department is in a good place with State and Federal Grants. Further, four full-time members of the department are fully grant funded. The Gloucester Dental Center is self-supporting with a Revolving Fund.

Line Item Review

Personnel Expenses – Line 51100 Salaries/Wages
Line 51300 Overtime
Ordinary Expenses - General review.

No revisits/adjustments.

MOTION: It was moved, seconded, and voted unanimously to support the salary proposal, Line 51100 Salary and Wages – Full Time, Page 84, for the Health Director in the amount of \$82,136.

Personnel	\$ 389,057
Ordinary	6,848
TOTAL	\$ 395,905

Department 241 – Inspectional Services – Page 60-61

Present for this portion of the meeting was William Sanborn, Building Inspector

Mr. Sanborn provided a detailed written review of the department budget. He has requested an additional inspector; and, a means to electronically chronicle all files in the department in order for maps and plans to be available on line. Files must be retained; however, could be stored off site if available digitally. Also requested is a heat-sensing gun in the amount of \$3000 which would determine whether building insulation is installed correctly. He also spoke to the proposed part-time Vacant Building Inspector position which would be paid from a Revolving Fund.

Line Item Review

Personnel Expenses:

Line 51100 – Salaries and Wages – Building Inspector \$79,500.

The Committee is in agreement that the raise for the Building Inspector is justified.

Ordinary Expenses:

Page 61 Line 54360 – Hand Tools - \$3000.00 Heat Sensing Gun

- **Revisit Line 54360 – Hand Tools –(\$500) - Page 61**
- **Revisit Line 51100 – Building Inspector Salary (301,537) – Page 60**

MOTION: It was moved, seconded, and voted unanimously to support the salary proposal, Line 51100 Salary and Wages – Full Time, Page 60, for the Building Inspector in the amount of \$79,500.

Personnel	\$ 348,254
Ordinary	\$ <u>12,675</u>
Total	\$ 360,929

Department 296– Shellfish – Page 64

Present for this portion of the meeting was David Sargent, Shellfish Constable

Mr. Sargent spoke to work/safety clothes (boots) and Employee Training for the part time constable. He stated that he anticipates clam license revenue to be up this year, and that the clam flats are now being rotated and the volunteer seeding program is ongoing. **Mr. Towne** requested a report on clam license revenues. **Mr. Sargent** also spoke of his proposal for a ticketing process for offenders. Also, the boat and motor, donated by the Waterways Board to Shellfish, is in good shape.

No revisits or adjustments

Request: Mr. Towne requested a report on clam license revenues.

Personnel	\$ 69,676
Ordinary	<u>2,150</u>
TOTAL	\$ 71,826

Department 145 - Treasurer/Collector – Page 10-12

Taken Out of Order

Mr. Towne addressed the Treasurer / Collector Budget reviewing personnel and ordinary line items as well page 12, Debts, Bonds and Ban pay-downs. With regard to his salary, **Mr. Towne** noted that the only movement in his Salary line is from a Step 8 to Step 9. Further, none of the employees in his department are receiving upgrades.

Line Item Review:

- Line 51200 – Salaries/Wages – Temp Position – Two beach sticker sales personnel.
- Line 52000 – Contracted Services – Parking Kiosk Software – to be installed in June
- Line 53140 – Contracted Services – Legal consultations - \$200,000 is offset by tax liens takings
- Line 53160 – Contracted Services – Bank Fees - \$15,000 – for full year of fees
- Line 54290 - Special Office supplies - \$6500 – Payroll check stock
- Line 57400 – General Insurance - \$14,000 – Flood and Bond Insurance for City properties
- Lines 59100 – 59670 – Page 12 – General discussion/report by **Mr. Towne**

No Revisits or adjustments.

Request: Mr. Towne was requested to provide a report on the total debt of the City.

MOTION: It was moved, seconded, and voted unanimously to support the salary proposal, Line 51100 Salary and Wages – Full Time, Page 10, for the CFO in the amount of \$113,894.

Personnel	\$	493,525
Ordinary		<u>11,088,345</u>
TOTAL	\$	11,581,870

Department 111 – City Council – Page 1

Taken out of order.

No Revisits or Adjustments.

Personnel	\$	90,000
Ordinary	\$	700
Capital Expenses	\$	<u>-0-</u>
TOTAL	\$	90,700

Department 161 – City Clerk - Page 20 – 21

Present for this portion of the meeting was Linda Lowe, City Clerk, who spoke to restoring the second part-time employee and to providing adequate and safe storage for the Clerk’s records. She reviewed various Ordinary line items, and the Capital Expense Line 58500 which was to be a MP3 Olympus recorder for the Clerk of Committees. **Ms. Lowe** spoke briefly on the CClerk Department Reorganization.

For the Record: With regard to salaries, **Ms. Lowe**, stated that during the salary reviews, the increase does not include the City Clerk, in that the Clerk’s salary increase is only in the 1% to 2% range.

Further, in looking at Clerk’s salaries in similar cities with similar populations, the average for a city of 25,000 people is in the \$83,000 range. She also noted she has not had a raise, other than Cola, since November of 2009. **Councilor McGear**y requested the Clerk’s salary as of this date. Currently the Clerk is at a Grade 8, Step 12 and will move to Grade M9, Step 4.

Line Item Review

- Line 52000 – Time Stamp
- Line 54290 – Office Supplies
- Line 58500 – Additional Equipment - Recorder

- **Revisit Line 51250 – (\$12,002) - Page 20 - Restoring second part-time position - \$12,000**
- **Revisit Line 51100 –\$217,601) - Page 20 – To review City Clerk’s Salary**

For the Record, Mr. Towne stated that, in years past, the City Council thought it was wise to start employees at the top of their pay scale.

Personnel	\$	235,703
Ordinary	\$	2,710
Capital Expenses	\$	100
TOTAL	\$	238,513

Department 163 – Registration - Page 22 - 23

Taken out of order

Linda Lowe, City Clerk and Marie Giambanco, Registrar addressed the Registration Budget. **Ms. Lowe** pointed out that a reorganization plan for the Clerk’s Office is being considered and this may entail some adjustments in the Registrar’s budget. **Ms. Giambanco** stated that in Line 52000 Contracted Services, the amount of \$5000 could be reduced from the “Programming Flash Cards for Elections” line item, leaving \$5000; however, she also proposed increasing various line items as listed below

Line Item Review

Personnel Expenses:

Line 51300 – Page 22 – Overtime – for additional work during elections.

Ordinary Expenses:

Reduction:

Line 52000 - Contracted Services – Flash Card Programming – REDUCE by \$5000

Additional Funding:

Line 52000 – Contracted Services – For Election Poll workers - Additional \$300.00

Line 52000 - Contracted Services – For maintenance of Accuvote machines - Additional \$2200 (Yearly expense)

Line 52000 – Contracted Services – For repair of handicapped-user Accuvote machine - \$550.00

Line 54220 – Printed forms – For Street Listing Book, an additional \$500.00

Line 54000- Supplies – Increase in Notary expenses /supplies – additional \$110.00

Capital Expenses:

Line 58500 – Additional Equipment

Revisit Lines - Registrar – Page 22

- Line 52000 Contracted Services –(\$27,850) Flash Card Programming – Reduce by \$5000.
 - Line 52000 – Contracted Services –(\$27,850) For Election Poll workers - Additional \$300.00
 - Line 52000 - Contracted Services –(\$27,850) For maintenance of Accuvote machines - Additional \$2200
 - Line 52000 – Contracted Services –(\$27,850) For repair of handicapped-user Accuvote machine - \$550.00
 - Line 54220 – Printed forms – (\$6,500) For Street Listing Book, an additional \$500.00
 - Line 54000- Supplies – (\$500) Increase in Notary expenses /supplies – additional \$110.00
- **Adjustment: None**

Personnel	\$	41,750
Ordinary	\$	35,625
Capital Expenses	\$	-0-
TOTAL	\$	77,375

RECESS: A brief recess was called at 7:10 p.m., meeting reconvened at 7:15 p.m.

Department 135 – Auditor - Page 4 – 5

Taken Out of Order

Mr. Costa addressed the Auditor Budget and reviewed line items, requesting that Line 51000 have a \$1.00 place holder for a Grants’ Compliance Officer. Mr. Costa reviewed personnel and various ordinary line items with the Committee including Line 53130, expenditure for School EOYR DESE report/audit in the amount of \$5000.

Line Item Review

Personnel Expenses:

Line 51100 Salaries and Wages – Auditor
 Salary as of June 2012 - \$88,189.29

Ordinary Expenses:

Line 54250 – Page 5 – Copier expense is included in the Purchasing Department budget.

No revisits or adjustments.

MOTION: It was moved, seconded, and voted unanimously to support the salary proposal, Line 51100 Salary and Wages – Full Time, Page 4, for the Auditor in the amount of \$94,358.

Personnel	\$ 264,701
Ordinary	\$ <u>62,660</u>
TOTAL	\$ 329,361

Department 165 – Licensing Board - Page 24

Taken Out of Order

Michele Harrison, Chair, Licensing Board addressed this budget, noting the Board has been working in collaboration with the *Healthy Gloucester Collaborative* in dealing with alcohol-related issues. She stated that the Board would like to continue to provide training to retailers and the Board. With regard to codifying policies and procedures, the Board would like to propose having Mr. Staples work with them in order to finish the essential policy manual. The project would take approximately eight (8) hours to finish; and, it is requested that Mr. Staples be put on a retainer for approximately 8 hours to finish. The Board is requesting \$1000. Ms. Harrison stated that the Licensing Board has brought \$147,000 to the city in income and what is spent is more than compensated by the funds brought to the City.

Line Item Review

Ordinary Expenses:

Line 52000 Contract Services - \$1000 for codification of policy and procedure manual.

- Revisit:**
- **Dept 165 – Licensing Board - Revisit Line 52000 - Contracted Services, Page 24 (\$0) – Retainer to complete work on the Licensing Board Policy Manual - \$1000.00**

Personnel	\$ 20,386
Ordinary	\$ <u>175</u>
TOTAL	\$ 20,561

Department 176 - Zoning Board of Appeal - Page 25

Taken Out of Order

No Revisits or Adjustments

Personnel	\$	7,035
Ordinary	\$	<u>225</u>
TOTAL	\$	7,260

A motion was made, seconded, and voted unanimously to recess the meeting at 8:14 p.m. until THURSDAY, May 31st at 4:00 p.m – Executive .

The meeting scheduled for Tuesday, May 29, 2012 at 5:00 p.m. (Revenue Revisits) has been postponed. Discussion will be held on Friday, June 1, 2012 at 9:00 a.m.

**Respectfully submitted,
Anne Marchand
Substitute Recorder**

DOCUMENTS SUBMITTED AT MEETING:

- >By Mr. Sanborn, Building Inspector: Building Department Budget with background information
- >By Mr. Duggan, CAO: Memo dated May 14, 2012 regarding Senior Managers Reclassification

- **REVISITS:**

Tab 1, Page 20 – City Clerk

- Line 51250 - Restoring second part-time position - \$12,000
- Line 51100 – Review City Clerk’s Salary

Tab 1, Page 22 – Registrar:

- Reduction: Line 52000 - Contracted Services – Flash Card Programming – REDUCE by \$5000.
- Additional Funding:
- Line 52000 – Contracted Services – For Election Poll workers - Additional \$300.00
- Line 52000 - Contracted Services – For maintenance of Accuvote machine - Additional \$2200
- Line 52000 – Contracted Services – For repair of handicapped-user Accuvote machine - \$550.00
- Line 54220 – Printed forms – For Street Listing Book, an additional \$500.00
- Line 54000- Supplies – Increase in Notary expenses /supplies – additional \$110.00

Tab 1, Page 24 Licensing Board

Line 52000 – Contract Services - \$1000 – for codification of Policy Manual

- **ADJUSTMENTS: None**
- **REQUESTS FOR INTFORMATION/ADDITIONAL INFORMATION/DISCUSSION:**

>From Councilor McGeary: Request Mr. Towne for total amount of City debt.

>From Councilor McGeary: Request for a list of the current rate of pay as of this date, May 24, 2012, for Senior Managers vs FY13 Budgeted amounts.

>From Mr. Towne: Requests a clam license revenue report from the Shellfish Constable.

SALARY REVISITS:

>City Clerk salary revisit – FRIDAY, JUNE 1, 2012 – 9 a.m.

>Building Inspector revisit – FRIDAY, June 1, 2012 – 9 a.m.

B and F Motions for FY13 Salary Proposals from 5/24/12 Meeting are as follows:

MOTION: It was moved, seconded, and voted unanimously to support the salary proposal, Line 51100 Salary and Wages – Full Time, Page 84, for the Health Director in the amount of \$82,136.

>**MOTION:** It was moved, seconded and voted UNANIMOUSLY to support the salary proposal, Line 51100 Salary and Wages – Full Time, Page 60, for the Building Inspector in the amount of \$79,900.

>**MOTION:** It was moved, seconded and voted UNANIMOUSLY to support the salary proposal, Line 51100 Salary and Wages – Full Time, Page 4, for the Auditor in the amount of \$94,358.

>**MOTION:** It was moved, seconded and voted UNANIMOUSLY to support the salary proposal, Line 51100 Salary and Wages – Full Time, Page 10, for the CFO in the amount of \$113,894.

FY13Budget Review #5Final

**FY13 Budget Review Meeting #6 Revisits –
Revenues**

was canceled and did not take place on

Tuesday, May 29, 2012

CITY COUNCIL STANDING COMMITTEE
Budget & Finance
Thursday, May 31, 2012 - 4:00 p.m.
CC Conference Room – City Hall

FY13 BUDGET REVIEW # 7 – Executive – PART I

Present: Councilor Paul McGeary; Vice Chair, Councilor Joseph Ciolino; Councilor Melissa Cox
Councilors Present: None.
Also Present: Kenny Costa; Jeff Towne; and Jim Duggan

The meeting reconvened at 4:01 p.m.

MOTION: It was moved, seconded, and voted unanimously to recess the meeting at 4:01 p.m., for ten minutes to attend the Personnel Director's Farewell gathering. The meeting was reconvened at 4:15 p.m.

FY13 Budget Review – Executive – Mayor, Legal, Assessors, Purchasing, Personnel, IT, COA, Vets Services, Library

Department 121 – Mayor – Page 2-3

Present for this portion of the meeting were Mayor Kirk and Jim Duggan

Mayor Kirk explained that reclassification of management positions had been coming to the City Council piecemeal; and, it was decided to look at the full range and process, while identifying management salaries in similar communities. Salary highs and lows were reviewed; and, for the FY13 Budget, each reclassified position was placed at the midpoint of the new scale. There was an objective rationale in that the City wishes to attract and retain the best senior management team. Further, there are compounding factors in the budget including reclassifications, COLAS, and Step Increases.

Councilor McGeary stated that an approach has been discussed which would preserve raises retro to January 1st; however, those received on January 1st, receive no COLA or STEP raises this year. The compounding effect would be deferred for one year. It was acknowledged that although details need to be worked through, this approach seemed agreeable.

Mayor Kirk stated that keeping salaries at the point on the scale, as proposed in the budget, will allow the city to get into a better position to retain staff. Then, consider proposing a freeze on COLA and Step increases. Timing of raises, she explained, is different for various staff members, so work would be done to reconcile how to work through a freeze. There are issues of equity, and it is important that negative consequences be minimized.

Councilor McGeary commented that what has been accomplished should be preserved, while at the same time understanding the perception in the community that the raises were excessive. He would like to look at the timing issues and how the phasing would happen with a 12-month freeze on Step raises and Cost-of-Living Allowances.

Ms. Cox agrees with the proposal, noting that two positions would not be affected – those of the CFO and DPW director. **Mr. Duggan** pointed out that the Assessor and Engineer positions have not been reclassified in that they are within range. **Mayor Kirk** stated that one must look at each person, look at the schedule, and be as fair as possible.

Mr. Duggan reviewed, stating that the City Council supported the reclassifications; however, now, rather than compounding COLA and Step increases, it is proposed to keep everything in place as reclassified, but going forward to freeze at reclassified level.

Councilor McGeary stated that each case will be looked at individually in the interest of equity.

Discussion on this subject will be **REVISITED**; allowing the Mayor to review the impacts and return to the committee with a real-number proposal for the budget.

Ordinary Line Items:

Line 51240 - Level Funded – Office supplies increased
 Line 57200 – Out of State Travel – conferences, etc.

MOTION: The Budget and Finance Committee moved, seconded and voted unanimously to place Line 51100 – Salaries and Wages – (\$244,706) Department 121 – Mayor – Page 2 - on the REVISIT LIST.

Personnel	\$ 245,106
Ordinary	<u>25,950</u>
TOTAL	\$ 271,056

Department 151 – Legal – Page 13-14

Present for this portion of the meeting was Suzanne Egan, City Solicitor

Ms. Egan spoke to Line 51250 – Salaries and Wages Part Time. She stated that a part-time attorney for a cost of \$45,000 would save money in outside legal services and increase efficiency. Further, last year \$120,000 was spent on outside legal services; with some costs being paid out of the Water and Sewer Departments. Further, she has retained a labor law firm, which will provide assistance in arbitrations and negotiations, etc., (Line 51340).

MOTION: The Budget and Finance Committee moved, seconded and voted unanimously to place Line 51100 – Salaries and Wages (\$168,162) - Department 151 - Legal Department, Page 13 on the REVISIT LIST.

Personnel	\$ 169,962
Ordinary	<u>\$ 101,600</u>
TOTAL	\$ 271,562

Department 141 – Assessors – Pages 8 - 9

Present for this portion of the meeting was Nancy Papows, Principal Assessor

Ms. Papows reviewed a number of line items as follow:

Personnel Expenses:

Line 51100 Line 51100, Salaries and Wages Ms. Papows stated that there are few changes in staff and any increases are contractual.

Line 51920, Sick leave buy back.

Ordinary Expenses:

Line 53870 - Registry of Deeds fees

Line 57100 – In State Travel – mileage reimbursement

Line 57840 – Revaluation Program – preparing for FY14 recertification, which is triannual.

The State requires a lot of reporting and documentation and it is a long process in getting values approved. FY12 is not funded; however, Mr. Towne said this will be funded out of transfers,

Capital Expenses: Line 58750 – Replacement of automobile. Autos will be replaced on a three-year lease-to-own program. – Ms. Papows noted that Assessors’ vehicles are in terrible condition, and Ms. Papows drives her own vehicle for city business.

MOTION: The Budget and Finance Committee moved, seconded and voted unanimously to place Line 51100 – (\$293,419) Department 141 – Assessors – Page 8 on the REVISIT LIST.

Personnel	\$ 316,029
Ordinary	\$ 23,563
Capital Expenses	\$ <u>6,000</u>
TOTAL	\$ 345,492

Department 138 – Purchasing - Pages 6 – 7

Present for this portion of the meeting was Donna Compton, Purchasing Agent

Ms. Compton reviewed the following:

Line Item Review

Personnel 51100 – Ms. Compton had requested a part-time clerk, however, the Department will have the benefits of the “roamer”, according to Mr. Towne.

Ordinary Expenses:

Line 52820 – Office Equipment maintenance

Line 53480 – Advertising – If the department is able advertise in the Cape Ann Beacon, (as opposed to The Gloucester Daily Times) it will save money. The law says advertisements must be published in a newspaper of general circulation.

Line 53450 – Postage – Includes City Clerk Census mailing.

MOTION: The Budget and Finance Committee moved, seconded and voted unanimously to put line 51100 – (\$127,507) Department 138 – Purchasing – Page 6 on the REVISIT LIST.

Personnel	\$ 128,874
Ordinary	<u>157,625</u>
TOTAL	\$ 286,499

Department 152 – Personnel – Page 15-17. The Personnel Department Budget will be reviewed during Part II of this meeting, May 31, 2012.

Department 155 – Management Information Systems – Page 18-19

Present for this portion of the meeting was John Blanchard, Director

Councilor McGeary requested information on Mr. Blanchard’s background. **Mr. Blanchard** stated he has been in IT for seventeen years, twelve years in Municipal. He reviewed his prior experience. He then commented on the many things he hopes to accomplish in Gloucester, which would result in good changes. **Mr. Towne** stated that the IT Budget is level funded, without exception.

There was discussion about the e-mail host not being friendly. **Mr. Blanchard** said he would like to move to fiber optic by COMCAST; that the communications in the city need to be contained; that the city is literally an island; and, the e-mail is outdated. E-mail, he stated, should be in house. Currently the city is spending \$28,800 on an external e-mail host. \$12,000 would be needed for mailboxes in the city. With a virtual services upgrade, the entire project would cost under \$150,000. Lastly, he stated he would like to see the servers out of the CATA building, and that the Schools are more up to date and ahead with equipment right now.

Ordinary Expenses:

Line 53180 Data Processing Services. Costs for e-mail host and internet connection

Capital Expenses:

Line 58700 - Equipment

MOTION: The Budget and Finance Committee moved, seconded, and voted unanimously to place Line 51100 (\$166,101) – Department 155 – Management Information Systems – Page 18 on the REVISIT LIST.

Personnel	\$	167,101
Ordinary	\$	200,220
Capital Expenses	\$	<u>6,000</u>
TOTAL	\$	373,321

Department 541 – Council on Aging – Pages 86-87

Present for this portion of the Meeting: Lucia Sheehan, Director

Personnel Expenses:

Line 51100 – Salaries – include step increases, only.

Ordinary Expenses:

All ordinary expenses are, basically, level funded.

Ms. Sheehan stated that there have been 44,974 visits this past year. According to the census, there are 7,404 seniors in the city. The Center is a busy place and they are doing well with what they have thanks to great Volunteers, but they are always looking for help. Employees from SCSEP services are only allowed to work for two years, and the Center has had up to eight employees through SCSEP. SCSEP services are being restored. Further, the Grace Center is doing a great deal assisting the homeless population which is a plus.

With regard to building maintenance, Ms. Sheehan commented that the needs are being addressed .

NO REVISITS

Personnel	\$	88,707
Ordinary	\$	<u>5,564</u>
TOTAL	\$	94,271

Department 543 – Veterans Services – Page 88 -89

Present for this portion of the meeting was: Jeff Williams, Veteran’s Agent

Mr. Williams reported that the Chapter 115 caseload consumes the bulk of the budget. There is no operating line. He also commented that there is now a better understanding of regulations; and, a great deal of need. He has been attending job fairs, etc., and the short-term needs increase the workload at times.

There is a 75 percent reimbursement from the state that goes into the General Fund. For FY13, \$170,000 will be reimbursed out of the \$311,000 budgeted amount. The state bases the reimbursement on data completed and sent to them. Reporting and paper work is up to date. There are fluctuations on the amounts paid out and, this year, the state is making a 3.1 percent adjustment, so more may be spent out next year, given the state issues.

Line Item Review

Line 57749 –Fuel - little variability. Flat rate paid throughout the year. Need is difficult to plan for. Emergency program through the state, at times, is spent out of this line item.

The Veterans’ Center is maintained by funds raised and through grants. The DPW will do minor repairs, but the larger items, such as the furnace, have not been addressed.

NO REVISITS

Personnel	\$	99,221
Ordinary	\$	<u>212,500</u>
TOTAL	\$	311,721

Department 610 – Library – Pages 91 - 93

Present for this portion of the meeting was: Carole Gray, Library Director

Ms. Gray provided a memo to the Committee with information regarding the waiver of requirements for accreditation. This is the fifth year the Library has had to apply. She noted that she had requested the filling of an Assistant Director position, which was funded but not until April of next year, meaning she would go three-quarters of the fiscal year without the assistant director’s position being filled. She noted that private money has been used to minimally renovate the Children’s’ Room.

She spoke to the need to update the Web Site; and to problems with the homeless. The Custodian is giving excellent responses and is doing a good job. The DPW also does a good job of covering, when a custodian is unavailable. Evening hours are limited and security is marginal. The Police are responsive, however evenings can be difficult with only three people in the building.

Usage of the library is steady with 152,000 visits for the year, which is consistent with the past few years.

Ms. Gray reported that with regards to the homeless, the Library is working with the Grace Center in identifying issues, training, safeguards, and comprehensive training.

With regard to the Waiver, if that were not occur, the Library would have to come up with \$61,359 to ensure it does not lose out on services. The state’s vote will be in late fall.

Discussion was held on the parking lot, drainage, and electricity, and **Ms. Gray** reported that the overseers have been changed. This is a part of the CPA project. Landscaping and the parking area projects will be started July 1.

Councilor Ciolino disclosed that he is a Corporator of the Library; and his wife is a member of the Board.

No Revisits – Ordinary or Capital

MOTION: The Budget and Finance Committee moved, seconded and voted unanimously to place Line 51100 (\$551,762) – Department 610 – Library Administration – Page 91 on the REVISIT LIST.

Personnel	\$	664,717
Ordinary	\$	99,142
Capital Expenses	\$	<u>-0-</u>
TOTAL	\$	763,859

MOTION: It was moved, seconded, and voted unanimously to recess PART ONE of this meeting at 6:01 until 6:10 p.m. this evening, May 31, 2012, City Council Conference Room - Tourism, Community Development/Grants and Personnel.

**Respectfully submitted,
Anne Marchand
Substitute Recorder**

DOCUMENTS/ITEMS SUBMITTED DURING THIS PORTION OF THE MEETING:

- From Veterans Agent - Chart of number of cases per month.**
- From Library Director: – Memo from Director Carole Gray – Library Certification and Waiver List of Director’s Tasks and those of proposed Assistant Director**

- **REVISITS:**

PART I – MOTIONS FOR REVISITS:

MOTION: The Budget and Finance Committee moved, seconded and voted unanimously to place Line 51100 – Salaries and Wages – (\$244,706) Department 121 – Mayor – Page 2 - on the REVISIT LIST.

MOTION: The Budget and Finance Committee moved, seconded and voted unanimously to place Line 51100 – Salaries and Wages (\$168,162) - Department 151 - Legal Department, Page 13 on the REVISIT LIST.

MOTION: The Budget and Finance Committee moved, seconded and voted unanimously to place Line 51100 – (\$293,419) Department 141 – Assessors – Page 8 on the REVISIT LIST.

MOTION: The Budget and Finance Committee moved, seconded and voted unanimously to place line 51100 – (\$127,507) Department 138 – Purchasing – Page 6 on the REVISIT LIST.

MOTION: The Budget and Finance Committee moved, seconded, and voted unanimously to place Line 51100 (\$166,101) – Department 155 – Management Information Systems – Page 18 on the REVISIT LIST.

MOTION: The Budget and Finance Committee moved, seconded and voted unanimously to place Line 51100 (\$551,762) – Department 610 – Library Administration – Page 91 on the REVISIT LIST.

FY13BudgetReview#7Final

CITY COUNCIL STANDING COMMITTEE

Budget & Finance

Thursday, May 31, 2012 – 6:00 p.m.

CC Conference Room – City Hall

FY13 BUDGET REVIEW # 7 – EXECUTIVE – PART II

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

Absent: None.

Councilors Present: None.

Also Present: Kenny Costa; Jeff Towne; James Duggan

The meeting reconvened at 6:25 p.m.

FY13 Budget Review – Executive – Personnel, Community Development, Tourist Commission

Department 152 – Personnel – Pages 15-17

Present for this portion of the meeting was David J. Bain, Jr., Personnel Director.

Line 51750 – Personal Services – Health/Dental Insurance (\$5,000,000.00): **Mr. Bain** indicated that they are about \$5,000 short this year for health insurance and asked that the \$5 million request not be cut. This figure does not include school employees.

Line 51751 – Personal Services – Health Insurance Deductible (\$113,000.00): Under the health insurance plan, there is a \$1,000 deductible but the city picks up \$500 of it. **Mr. Bain** stated that this is not an exact number because it is a new program and it is dependent on how many employees get sick. They have spent \$73,857 on deductibles since last July.

Line 51970 – Personal Services – Union Contractual Payments (\$160,000.00): **Mr. Towne** indicated that this line is used to buy down employees from 250 sick days to 180 sick days, as well as for any contractual payments for people who retire (longevity, sick leave).

Line 51100 – Salaries/Wages-Full Time (\$164,486): The Personnel Director’s salary is one that was reclassified. The new Personnel Director’s position is starting on October 1, 2012, leaving a three-month gap. Mr. Bain’s staff will take care of the day-to-day work. **Councilor McGeary** indicated the need for a consultant to take the place of Mr. Bain on the police chief search committee.

MOTION: The Budget and Finance Committee moved, seconded and voted unanimously to place DEPARTMENT 152, LINE 51100, SALARIES/WAGES-FULL TIME (\$164,486), PAGE 15 on the REVISIT LIST.

Personnel	\$6,274,910
Ordinary	<u>93,109</u>
TOTAL	\$6,368,019

Department 181 – Community Development – Pages 26-27

Present for this portion of the meeting was Gregg Cademartori, Acting Community Development Director.

Line 51100 – Salaries/Wages-Full Time (\$57,404) – **Mr. Cademartori** stated that there is a planned rollout of positions, to be filled over a period of time. This budget reflects his position, a principal clerk, and a phasing in of a director on Jan. 1 and an economic development director on April 1. There is also the balance of Steve Winslow’s salary, which is a 20 percent contribution. **Mr. Duggan** reported on the credentials he is looking for in an economic development director.

Line 51400 – Sal/Wage-Longevity (\$400): Longevity is down because the Harbor Planning Director is funded by Seaport Advisory Council funds.

Councilor Ciolino asked about the hiring of an event coordinator. **Mr. Duggan** stated that they would like to look at it for Jan. 1, looking at the free cash and trying to prioritize a few things. A grants manager will be phased in in FY14. However, from October of 2012 until July of 2013, there will be no one overseeing grants. **Mr. Duggan** would like to have some existing community development staff work into that position. He would also like to be able to find the money for a staff planner, possibly through a free cash appropriation.

MOTION: The Budget and Finance Committee moved, seconded and voted unanimously to place DEPARTMENT 181, LINE 51100 – SALARIES/WAGES-FULL TIME (\$205,979), PAGE 26 on the REVISIT LIST for a review of the director’s salary and the possibility of finding money for a marketing and event coordinator.

Personnel	\$263,783
Ordinary	<u>\$ 12,331</u>
TOTAL	\$276,114

Department 135 – Tourist Commission – Page 90

Mr. Duggan stated that they have made a slight increase in investment in the tourism budget.

Line 53500 – Purchased Services (\$55,000): The Tourism Commission would make recommendations to the Mayor’s Office on how to spend the \$50,000.

Line 52000 – Contracted Services (\$0): The \$25,000.00 in the FY12 working budget was an appropriation of free cash for a public relations company to promote the city (marketing and outreach).

Mr. Duggan stated that the projected revenue for hotel and meals tax is \$800,000, which is dependent upon a great season. **Councilor Ciolino** stated that the administration needs to dedicate some of that money to tourism. **Mr. Duggan** reported on his conversation with the developer of the Hampton Inn on Essex Avenue. **Councilor McGeary** stated that the city needs a focused effort on marketing.

Line 52180 – Purchased Goods/Services (\$1,500): The 800 number is for the Welcome Center at Stage Fort Park.

Personnel	\$10,000
Ordinary	<u>\$56,500</u>
TOTAL	\$66,500

MOTION: The Budget and Finance Committee moved, seconded and voted unanimously to place the following line items on the REVISIT LIST:

- DEPARTMENT 135, LINE 51100 – SALARIES/WAGES-FULLTIME (\$264,801), PAGE 4
- DEPARTMENT 510, LINE 51100 – SALARIES/WAGES-FULL TIME (\$376,807), PAGE 84
- DEPARTMENT 241, LINE 51100 – SALARIES/WAGES-FULL TIME (\$301,537), PAGE 60

MOTION: It was moved, seconded, and voted unanimously to recess this meeting at 7:17 p.m. until Friday, June 1, 2012 at 9:00 a.m., at which time the School budget will be revisited in the City Council Conference Room, City Hall.

Respectfully submitted,

Maria C. Puglisi
Substitute Recorder

DOCUMENTS/ITEMS SUBMITTED DURING THIS PORTION OF THE MEETING: None.

REVISITS:

- Department 152, Line 51100, Page 15
- Department 181, Line 51100, Page 26
- Department 135, Line 51100, Page 4
- Department 510, Line 51100, Page 84
- Department 241, Line 51100, Page 60

REQUESTS FOR INFORMATION: None.

CITY COUNCIL STANDING COMMITTEE
Budget & Finance
Friday, June 1, 2012 – 9:00 a.m
City Council Conference Room – City Hall

FY13 BUDGET REVIEW # 8 – Revisits, Reviews

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

Also Present: Kenny Costa;
Present: Jason Grow

The meeting reconvened at 9:05 a.m.

FY13 Budget Review/Revisits: School Department.

School Department: Present were Dr. Richard Safier, Superintendent; Tom Markham, CFO; Jonathan Pope, SC Chairman; Kathy Clancy, Val Gilman, and Roger Garberg, Members of School Committee.

Mr. Pope reported that the School Committee has reviewed their proposed budget a number of times and voted to reduce the budget by \$301,962. A detailed working document was provided and was reviewed. The items proposed as cuts and voted by the School Committee on May 23, 2012 are listed below.

- #1 Ten known / expected retirements, all to be replaced resulting in approximately \$24,970 each in savings for a total cut of \$249,700; and,
- #2 Coverage of Elementary Literacy Curriculum payment #3 in FY12 of \$52,262.

The following recommendations from the CFO and Superintendent were reviewed. The School Committee has not acted on the following. The items are up for discussion before the full School Committee and, if time, a meeting of the School Committee's Building and Finance Committee.

Dr. Safier stated that the current bottom line would be \$36,168,452 minus the \$301,962, as voted on 5/23/12. He noted that, initially, there was a \$1,135,779 difference between the Mayor's proposed budget and SC proposed budget.

Further, after reviewing the non-salary proposed cuts (\$384,660), and personnel proposed cuts (\$323,411), the total proposed cuts would be \$1,010,033, leaving an amount to be reduced of \$125,564 to achieve the mayor's bottom line figure. **Dr. Safier** stated that everything has been done to avoid the loss of positions and personnel.

#3 – Literacy Program – assessments – The department has purchased discs and are downloading assessments and copying them which is being done by parent volunteers vs. buying books with a cost saving of \$21,332. Copying costs would be allowed for in this year's budget;

#4 Math Program – Math workbooks – In December of 2011, the department bought two books for the cost of one, so purchased at a lower cost. The cost of purchasing the books may be eliminated for FY13, but would be put back in the FY14 budget - \$18,486;

#5 – Delay locker replacement at O'Maley – Dr. Safier noted that the lockers at O'Maley are very unsightly lockers, but replacement has been put off. It was noted that the physical condition of the buildings is an issue for those students who have chosen to choice out. It would cost \$75,000 for total locker replacement. It was also noted that a normal size ski jacket does not fit into the locker - \$27,620;

- **To be considered:** With the city taking over the maintenance in the schools, would the lockers be a part of this maintenance?

- #6 – Traditional furniture** – elimination of all new purchases of school and classroom furniture - \$15,832;
#7 – Eliminate school payment for Advanced Placement testing at GHS - \$75.00 per test – subsidies from the State will be investigated - \$11,000;
#8 – Reduce all Ordinary accounts at GHS. There is an itemized list; however, not available at this meeting - \$17,250;
#9 – Reduce library accounts at O'Maley – Books - \$2,000 cost, reduce by \$1,000;
#10 – Expected savings due to changes in telephone line reductions & carrier service - \$14,770;
#11 – Reduce Unemployment Compensation below Level funding (36 percent) This would be done in anticipation of not having RIF to cover; however, there are holdover costs from the previous year - \$75,000;
#12 – Estimated savings in transportation – new bus leases – less first year maintenance – This year there are new bus leases which means less first-year maintenance as the buses are new - \$12,900;
#13 – Reduce School Committee Contingency by 38 percent – The contingency would be reduced by \$114,000 - \$186,000 would be left as contingency funds (\$172,000 frozen);
#14 – Reduce Out-of-District Special Education Tuitions with FY12 pre-payment - \$50,000;
#15 – Reduce copier costs with renewed 3-year lease (Savings - \$7800) - \$2600;
#16 – Reduce copier costs with new 3-year lease beginning June 1, 2012 (Central Office) - \$2870;
Total Proposed cuts – non-salary: \$384,660

- #18 – Eliminate 1.0 Science position GHS - due to retirement (non-replacement)** - \$48,600;

Discussion: Biology - estimated class size would be in the mid 20's

- #19 – Eliminate 1.0 History position GHS – due to retirement (non replacement)** - \$48,537

Discussion: History – estimated class size would be in the mid 20's

There are a host of electives in Social Studies; five sections would be impacted by one teacher.

Currently 54 sections of History at GHS.

- #20 – Reduce 1.0 World Language/German position to .6** – \$28,650;

Discussion: Many choice students @\$5000 per student, enjoy diverse offerings at GHS and cutting positions at the high school presents a risk. Fewer sections offered.

Discussion on #21 and 22, which are recommendations from the Principals:

- #21 – Add 1 Noon Supervisor to each Elementary School and reduce all noon supervisors to 2 hours per day** – Savings: \$2950;

Discussion: Loss of lunch supervisors would cause the need for teachers and paraprofessionals to fill in when they could be doing their normal duties. Rather than a cut, add a new supervisor but reduce the number of hours from 3 to 2. More work for principals/teachers. Noon supervisors are not part of a union; however, are under an agreement

- #22 – Est. RIFs among paraprofessionals – district wide estimate of 8 reductions @17,913 each** - \$143,304;

Discussion: Paraprofessionals fill in for student free periods which would eliminate them from doing interventions; with 8 reduced it would be difficult to cover people with specific qualifications and disabilities. Paraprofessionals provide individual services.

- #23- Estimated savings in health insurance due to above staff reductions** - \$118,872; and

- #24 – Estimated cost of unemployment benefit** – (\$67,572);

Total Proposed cuts – personnel: \$323,411

General Discussion:

The cut list is not a list of cuts, but a list of things to be lost if cuts are made.

Councilor McGeary questioned whether it would be agreeable to reduce contract negotiations to “0” and make it up out of free cash. **Ms. Gilman** stated that \$255,000 covers 518 staff members. Further, there is a morale issue, given the teachers are aware they are in the lowest ranges in the northeast. It is an issue of equity and fairness; and, perception that one cannot find the money proactively. Funding through free cash is a “patch”. A motivated staff is needed.

At present there is only one ratified contract expiring in one year, which is the Nurses

Councilor Ciolino – commented that the School Committee did a good job coming back with reductions, which he knows is difficult; however, it will be a high priority to find funding for the additional \$125,561.

Ms. Clancy stated she is hoping it is more towards \$300,000 vs. \$125,000; and, noted that by cutting, a message is being sent which is to continue to step back in personnel costs. This has a clear impact in terms of priorities. The district must move forward, seeing better grades, scores, and pride in schools. Further, negotiations are about equity and fairness.

Ms. Gilman questioned the Motel and Meals Taxes and whether or not there was an update as to whether they will play in as part of the picture. **Mr. Costa** explained that the money comes in from the State quarterly, and will not know last quarter figures until July. He also noted that a huge increase is not anticipated, nor has he had an update; however, will bring through to the CC B and F Committee.

Councilor McGeary is concerned with some cuts to get to the totals; and, that some cuts should not be made; i.e. school lockers and cuts in programs. If there were funds in terms of additional aid, this would be an approach without having to make some of the proposed reductions.

Ms. Gilman spoke to the Innovation School. This, she said, is an opportunity to show local communities of the commitment, while receiving revenue and motivating staff.

Mr. Costa noted that School Choice tuition goes into the Special Revenue Account and not the General Fund.

Councilor McGeary stated that he appreciates the efforts of the School Department/Committee and expects the gap of \$125,564 may be covered once the revenues have been revisited.

Mr. Grow, from the audience, noted that the Council has within its power to make cuts or reinstate funding; and, one should accept the cuts as they are, rather than looking at them as consequences of budget decisions. The priorities of the community need to be examined. Cuts all come with consequences articulated in the continuing message that School Choice should be pursued; and, not putting a priority on increasing performance. Student achievement should be increased and, one should look at the big and long-term picture. He further stated that he is concerned about morale and continuing to lose good people. He also suggested not taking negotiations off the table

Mr. Pope stated the Committee asked the Superintendent to supply items to be cut; and, he knew he had to come forward with the answers. Again, there is not an endorsement or consensus by the School Committee at this time. This is an illustration of what would be cut if forced to make cuts. This is a consequence list.

Councilor McGeary questioned whether or not there is a sense regarding the DPW and half-shift cleaning service. **Dr. Safier** stated that the DPW is doing what it can do, but does not have the resources at GHS. The other schools are in relatively good shape; however, there is not enough person-power to ensure GHS is clean, tidy, respectable and safe. Twelve custodians are needed; however, there are four, plus the contractors which adds to six, resulting in working at 50% capacity. This is not a criticism of the DPW, as they have been cooperative.

REVISIT: A revisit of the School Department Budget will be held during the B and F Revisit Sessions and when final City revenues are available.

FY13 Proposed School Department Budget per submission by the Department on April 27, 2012

Personnel	\$24,083,668
Ordinary	<u>11,562,877</u>
Total Base	35,646,545
Elementary Lit Curr	52,262
Unanticipated Costs	42,451
Frozen Assets (Restored)	172,000

COLA Settlement 255,194
\$36,168,452

MOTION: A motion was made, seconded and voted unanimously to recess the meeting at 10:15 a.m.until Tuesday, June 5, 2012 at 5:30 p.m. – Enterprise Funds/ CPA

Respectfully submitted,
Anne Marchand
Substitute Recorder

DOCUMENTS/ITEMS SUBMITTED AT MEETING.

From School Department: Working document re proposed cuts in Fy13 School Committee Budget

- **REVISITS:** School Department

FY13BudgetReview#8

CITY COUNCIL STANDING COMMITTEE
Budget & Finance
Friday, June 8, 2012 – 9 a.m.
City Council Conference Room – City Hall

FY13 BUDGET REVIEW #8 – Part II – Revaluation and Revolving Funds

Present: Chair, Councilor Paul McGeary; Vice Chair, Councilor Joseph Ciolino;
Absent: Councilor Melissa Cox
Also Present: Kenny Costa; Jeff Towne; Thomas Markham, CFO School Department.
Dr. Safier joined meeting at 9:30 a.m.

The meeting reconvened at 9:05 a.m. Discussion continued from Tuesday, June 5, 2012

Revaluation: Page 96 – 101000 General Fund – Ordinary Expenses – Line 59600 Transfers to Other Funds.

Mr. Towne spoke to the Revaluation which is triannual with funding in the amount of \$105,000 over a three year period, covering 2 fiscal years. Money to pay for the revaluation, in the amount of \$35,000, is placed in trust each year, with a transfer out this year from FY12 excess funds. At the beginning of FY13, there will be \$70,000 in the fund. Work will be finished in year three; and, given the volume of work, it takes two years to complete. The Assessor works with multiple vendors; however, can only work with one group at a time. Building permits and all properties are reviewed over the three years as 100 percent evaluation is required.

NO REVISITS

Revolving Funds:

Mr. Costa reviewed Revolving Funds for the record. Authorization of the funds by the City Council is required each year for the city and schools. Funds are designated for a specific purpose with money going into a fund and being spent from the same fund for the purposes designated. There is a spending cap/limit in each fund and if a department is in need of further funding, can come back to the City Council to request an amendment of the spending cap/additional funding.

Line item Review – School Revolving Accounts

Account 283002 School – Adult Education

This is a new account for Adult Education and is reauthorized every three years. Revenue source is fees to pay salary and expenses with \$20,000 as the current available balance.

MOTION: On motion of Councilor Ciolino, seconded by Councilor McGeary the Budget and Finance Committee voted 2 in favor, 0 opposed (Cox absent) to recommend the City Council continue acceptance of Statute MGL, Chapter 71, Section 71E, School Department Revolving Funds.

Account 283008 – Transportation. Transportation up to \$385,000 from \$360,000. Gloucester may be providing services to Essex/Manchester which is the reason for the increase, which would result in more revenue and more expenses.

Account 283010 – ROTC. Increase from \$50,000 to \$80,000. The money goes into the General Fund if not authorized by the City Council. If there are additional expenses, they have to be paid from another funding source. The City receives part of the salaries of the instructors from the Marine Corps, and the schools contribute a portion. One officer retired in the middle of this year, and the new instructor is a higher grade therefore the salary is higher. Congress voted the raise in January 2012.

Account 283012 – Pre School – Remains the same. The available balance is \$50,000.

Account 283013 - Professional Development – Funds come from fees charged to the school staff or other collaborating communities. The expense is for the professional trainers and/or stipends and for a day-long session for a teacher. The available balance is \$25,000.

MOTION: On motion of Councilor Ciolino, seconded by Councilor McGeary, the Budget and Finance Committee voted 2 in favor, 0 opposed (Cox absent) to recommend the City Council continue acceptance of Statute MGL, Chapter 44, Section 53E ½, School Department Revolving Funds.

Schools –General Discussion:

- Building use fees from the schools go to the City to pay custodians.
- PTO money raised is independent of the schools and they have their own accounts, Tax IDs, and check books.
 - Money raised from bake sales, etc., goes into these accounts, which is used for offsetting field trip costs, buying books, etc.
- Principals' check books – each principal has a check book for use by their school. This is authorized by State Law.
 - These accounts have small balances and funds are used for activities such as year books, student pictures, etc.
 - The GHS account is the largest and includes prom fees and expenses.
- Student Activity Account – there were many at one time, but now collapsed into one. The City Treasurer does not oversee the Student Activity Accounts. **Mr. Markham** stated there is one Student Activity Account for all the schools; however, each school should have their own. **Mr. Towne** said this would be appropriate.

Line Item Discussion – City Revolving Accounts:

Account 283007 – Building Use – DPW Director – Building use fees cover expenses. Available balance - \$60,000

Account 293004 – City Hall User – DPW Director – User fees are transferred from City Hall User Account to an Agency Fund and offset custodial/maintenance costs with revenues. Available balance \$4,500.

Account 293005 – Court Repairs – DPW Director - State Reimbursement for Repairs – Available Balance \$3,000. The state reimbursement is separate from the \$3,000 available balance. **Councilor McGeary** commented that the stairs are a hazard to health and safety and questioned if this would cover the cost to repair.

Account 294006 – Septic Loan – BOH - \$10,000 goes to the CFO to offset a salary. This is transferred to the General Fund. Septic loan fees pay for the administration of the account. Loans are at 0 percent over 15 years to residents. This is one small portion of the betterment. Available Balance - \$15,000.

Account 293008 – Vaccine – BOH – Flu Vaccine – reimbursed by Mass. Health. Increase due to demand. The shingles vaccine was paid from Free Cash. Available Balance \$30,000.

Account 293012 – Fire Training – Fire Chief – High Angle Training connected with the permitting for radio frequency. No funds were spent this year, and an ordinance amendment would be required to revise the account. Available Balance \$45,000.

Account 293013 – RFR Study – Community Development Director – No discussion – Available Balance - \$5000

Account 293014 – Dental – BOH – Dental Clinic - Money is reimbursed by Mass. Health. Available Balance \$300,000.

Account 293016 – Solid Waste/Recycling – DPW Director – Recycling Day fees are charged to fund the account. Available Balance - \$20,000.

Account 293017 – City Clerk – Funds have been used this year for City record book binding. \$3300 was spent, and \$6000 revenue was brought in by charging fees. \$14,000 would fund the new filing/storage system which is being reviewed. Available Balance - \$18,000.

Account 293019 – Vacant Building – Building Inspector – The balance in this account would pay an inspector's salary which could be charged to a specific account. Given this is a 15 hour per week position, there would be no benefit costs. Available balance - \$70,000.

Account 293020 – Fire Decon. Drill Training – Fire Chief - State reimbursed – Available Balance: \$1,100.

Account 293021 – Lanes Cove Fish Shack – DPW Director – Funds coming from *The Gloucester Fund* to the City. The City will disperse the money. Available Balance - \$100,000

Account 293022 – Veteran Services – Veterans Agent – No discussion. Available Balance: \$5000.

MOTION: It was moved, seconded and voted 2 in favor, 0 opposed (Cox Absent) to recommend the City Council to authorize the City to establish revolving funds for certain City Departments under MGL, Chapter 44, Section 53E ½ for the fiscal year beginning July 1, 2012, with specific receipts credited to each fund, the purposes for which each fund may be spent and the maximum amount that may be spent from each fund for the fiscal year as specified on the attached chart, which is made a part of these minutes.

School Food Service Revolving Fund

Mr. Markham and Dr. Safier addressed this fund, stating that \$60,000 has been set aside and put into the fund. This is a one-time contribution. **Mr. Markham** provided a working proposal, copy on file in the Office of the City Clerk. There are unforeseen needs and expenses in the schools which includes equipment. There a \$126,000 immediate needs purchase and cost of equipment, as well as a long history of extraordinary needs. Funds have been used from the General Fund as well as this revolving account. Last year, there was a welcomed contribution from the City Council in mid-year to replace necessary equipment. The department is trying to use the money judiciously to preserve and update the school kitchens.

Discussion was held on unanticipated salary expenses with kitchen managers on extended sick leaves, with accrued sick days being paid in full as well as the cost of substitutes. The next most senior person eligible becomes acting manager, which appears on the actuals as a loss for the year. The Schools will transfer from the General Fund to cover.

The prediction, with six days of food service left, will be in the \$35,000 range. Working with the Auditor allows the School Committee to encumber against unanticipated revenues. It is anticipated that the government reimbursement will be \$510,000. The schools are allowed to encumber against this figure; however, in prior years were only allowed to encumber against the balance in the revolving fund.

Should the year end in deficit, this has to be made up out of the General Fund with taxpayers paying. This fund, three years ago, had a \$210,000 operating deficit which was resolved through end-of-the year transactions. This, stated **Mr. Markham**, has not happened since and will not happen again. **Mr. Costa** stated the main goal is to keep this fund in the black.

POS Program

Mr. Markham stated that the software is working well and training on the point-of-sale system has been completed. This method of keeping track of free and reduced lunch enables reporting to the State in a timely way. Reports are now filed within the first few days of a new month, and everything is electronically recorded.

Further, there is a growing number of individual debts against students; however, a student is still provided lunch even though there is a failure to pay. With the POS system in place, each lunch sale is rung in as a sale, with indication whether the student's lunch is in the negative or positive. Previously, there was no record of how much

the schools were losing. Now, track is being kept and collections are ongoing. There is also a means and data to provide bills to parents. This, too, allows for the schools to work with parents on determining whether a student is eligible for free and reduced lunch, and to provide available parent payment plans, as necessary.

With regard to increase in lunch costs, **Mr. Markham** stated there will be an increase in school lunch; that there is a five-year plan, with Plan B pricing approved on June 30, 2010. FY13 elementary lunch will be set at \$2.80 with milk as a separate charge. A chart was provided showing the school lunch and breakfast prices broken up into Elementary, Middle, and High school for fiscal years 2008 through 2010, as well as fiscal years 2011 through 2014. This chart is on file with the City Clerk.

Councilor McGeary commented that the Department is on the right path regarding the previous \$200,000 deficit.

MOTION: It was moved, seconded and voted 2 in favor, 0 opposed (Cox absent) to recommend the City Council appropriate \$1,150,161 for the FY13 operating costs of the Gloucester School Food Service Program and \$1,150,161 for estimated receipts from fees charged to users of the services provided by the Gloucester Food Service Program in accordance with MGL c44, S53E.

MOTION: A motion was made, seconded and voted unanimously to recess this meeting at 10:05 a.m. until Monday, June 11, 2012 at 6:30 p.m. City Council Conference Room – Fire Department.

Respectfully submitted,
Anne Marchand
Substitute Recorder

DOCUMENTS/ITEMS SUBMITTED AT MEETING:

From Mr. Costa - Revolving Fund Information, also attached and made a part of these minutes.

From Mr. Markham – School Food Service Revolving Fund Charts (2)

- **REVISITS:** No Revisits

CITY COUNCIL STANDING COMMITTEE

Budget & Finance

Monday, June 11, 2012 – 6:30 p.m.

CC Conference Room – City Hall

FY13 BUDGET REVIEW #9 – FIRE DEPARTMENT

Present: Chair, Councilor Paul McGeary; Vice Chair, Councilor Joseph Ciolino; Councilor Melissa Cox**Absent: None.****Councilors Present: None.****Also Present: Kenny Costa; Jeff Towne; James Duggan**

The meeting reconvened at 6:30 p.m.

Pages 46 through 59 and 62, Tab 2 – Fire Department and Civil Defense Budgets, reviewed as follows:

Department 291—Civil Defense – Page 62**Present for this portion of the meeting was Deputy Chief Miles Schlichte.**

Line 51100 – Salaries/Wages-Full Time (\$10,000): This figure represents a stipend for Emergency Management Director. The \$85,000 request was for a full-time Emergency Management Director under the 5-year plan that **Deputy Chief Schlichte** created, which he believes is best for the city. He firmly believes this position should be filled.

Line 52000 – Contracted Services (\$10,000): Assistant to EMD for six months. **Deputy Chief Schlichte** requested that this position be filled by a part-time city employee. **Mr. Duggan** stated that they will examine further investment through free cash after input from the new chief.

Line 54000 – Supplies (\$5,000): This figure represents anything needed to run Emergency Management.

Deputy Chief Schlichte advocated for revisiting this budget when the new chief is in place and hopes that it can be supplemented with free cash.

Councilor McGeary asked whether the after-action reports on the Lorraine building and the Pleasant Street fires speak to Emergency Management. **Deputy Chief Schlichte** stated that the Lorraine report did but the Pleasant Street report did not. Prior to the Lorraine report, audits had stated that the position was not functioning as it should be but did not come out with a recommendation. He believes that one of MRI's audits stated that Emergency Management should stay within the fire department but did not say how. **Mr. Duggan** stated that the Emergency Management Director position will be vacant for a short period of time.

NO REVISITS IN DEPARTMENT 291.**Department 220 – Fire Department – Pages 46-59****Present for this portion of the meeting was Interim Chief Bob DiPoli; Sander Schultz, EMS Coordinator; Sue Mills, Assistant to the Chief; and Deputy Chief Steve Aiello.**

Chief DiPoli introduced himself and provided a brief description of his background and experience. **Mr. Duggan** provided a synopsis of the fire department, which is made up of one chief, four deputies, eight captains, 21 firefighter paramedics, four firefighter mechanics, one fire inspector, 34 firefighters, and one EMS Coordinator. There is also an assistant to the chief included in this budget, and they have proposed a senior clerk to support the fire inspector. **Chief DiPoli** stated that the rates on fire inspections have been doubled this year to create the revenue necessary to fund that additional position.

Line 51100 – Salaries/Wages-Full Time (\$4,563,641): “All Who Shift” refers to the shift differential (difference between an acting captain and an acting deputy). The cost of living adjustment is included per the union contract and is fully funded.

Line 51570 – Personal Services: Workers Comp Payroll (\$0): Amounts are pulled out of Line 51100 anytime someone goes on Worker's Comp (ordinary transfers).

Line 51300 – Sal/Wage-Overtime (\$211,000): **Mr. Duggan** stated that the new billing company has been very aggressive in collecting ambulance revenues and that the administration has reached an agreement with the union to make a recommendation of increasing the ambulance revenue by approximately \$89,000, which will bring the overtime up to \$300,000.

MOTION: The Budget and Finance Committee moved, seconded and voted unanimously to place DEPARTMENT 220, LINE 51300, SAL/WAGE-OVERTIME (\$211,000) on the REVISIT LIST.

MOTION: The Budget and Finance Committee moved, seconded and voted unanimously to place DEPARTMENT 220, LINE 51100, SALARIES/WAGES-FULL TIME (\$4,563,641) on the REVISIT LIST.

Line 52610 – Computer Maint Contr (\$23,349): Adding a new licensing fee for a clinical quality assurance program.

Line 52690 – Other Equipment Maint (\$18,372): **Mr. Towne** stated that the math was wrong for the thermal imaging camera batteries. There was also a discrepancy with the facepieces.

Line 53060 – Public Safety Program (\$13,000): This figure represents tuition for paramedic school. **Ms. Mills** stated that two people were going to take the paramedic courses but opted not to take them. No one in the department is going to paramedic school this year.

Line 54850 – Other Parts-Maint (\$7,300): **Chief DiPoli** stated that the exhaust on the new ambulances is on the driver's side and that the existing tracks mounted in the ceiling are for the passenger side. A new track needs to be installed to plug the exhaust pipe into the system that exhausts the fumes to the outside of the building.

Line 55010 – Safety Supp/Equip (\$0): **Mr. Towne** indicated that this was funded with free cash in FY12.

Line 52470 – Vehicle Maint (\$40,000): **Mr. Towne** noted that by the time this budget is enacted, there will be two brand new ambulances. He also pointed out that a significant portion of the fleet has turned over in the last four years and that preventative maintenance will be put in place and religiously followed. There are four firefighter mechanics on duty, one per shift, who are responsible for keeping up with vehicle maintenance between calls. **Chief DiPoli** stated that they are not certified mechanics and recommended that a full-time dedicated master mechanic be hired at some point. The current system of a firefighter on each shift as an assistant mechanic to handle minor repairs should be maintained. **Mr. Towne** stated that the big equipment, such as ladders and engines, is insured for full replacement value this year as opposed to a depreciated value. **Deputy Chief Aiello** stated that Engines 4 and 6 are now eight years old and need work.

Line 58700 – Equipment (\$0): **Mr. Towne** stated that the \$10,000 requested was for additional radios. **Deputy Chief Aiello** indicated that the old radios are reprogrammable, which they may be able to do in-house.

Page 8, Tab 1 – Fire Department Revenues, reviewed as follows:

Line 42403 – Rev-Ambulance Charges (\$800,000): **Mr. Towne** stated that because of the transition from Comstar to MedEx billing, ambulance revenues were lower than expected. He believes the revenue will pick up again, and the current estimate is \$889,000. **Chief DiPoli** stated that Blue Cross/Blue Shield and some medical providers, in an attempt to coerce ambulance providers to sign at a greatly reduced rate, have threatened to send payment to the user rather than the provider. The Fire Chiefs Association has been lobbying heavily for a bill requiring that payment be sent to the provider and not the user. He urged the councilors to keep the pressure on the legislature. **Mr. Schultz** stated that if BC/BS is successful, the city would lose approximately 50% of the money they get from BC/BS.

MOTION: The Budget and Finance Committee moved, seconded and voted unanimously to place DEPARTMENT 220, LINE 42403, REV-AMBULANCE CHARGES (\$800,000) on the REVISIT LIST.

MOTION: It was moved, seconded, and voted unanimously to recess the meeting at 7:22 p.m. until Thursday, June 14, 2012 at 9:00 a.m., at which time revisits will be held in the City Council Conference Room, City Hall.

Respectfully submitted,

Maria C. Puglisi
Substitute Recorder

DOCUMENTS/ITEMS SUBMITTED DURING THIS PORTION OF THE MEETING: None.

REVISITS:

- Department 220, Line 51300, Tab 2, Page 48
- Department 220, Line 51100, Tab 2, Page 46
- Department 220, Line 42403, Tab 1, Page 8

REQUESTS FOR INFORMATION: None.

BUDGET & FINANCE

**BUDGET REVIEW #10 REVISITS
MINUTES**

06/14/12

UNDER SEPARATE COVER