

CITY COUNCIL STANDING COMMITTEE

Budget & Finance

Thursday, February 21, 2012 – 6:00 p.m.

1st Fl. Council Committee Rm. – City Hall**-Minutes-****Present: Chair, Councilor McGeary; Vice Chair, Councilor Joseph Ciolino; Councilor Melissa Cox****Absent: None.****Also Present: Kenny Costa; Tony Gross; Jim Caulkett; Stacie Couture; Dr. Richard Safier****The meeting was called to order at 6:01 p.m. At the discretion of the Committee items were taken out of order. Councilor Ciolino entered the meeting at 6:03 p.m.****1. Supplemental Appropriation-Budgetary Request (2013-SA-108) from School Department re: Athletic User Fees (Cont'd from 02/07/13)**

Dr. Safier, Superintendent of Schools said the School Department would appreciate the acceptance of \$75,000 from free cash to offset student athlete user fees and also for transportation costs. The two largest fees paid in the school system by students are for athletics and for transportation in the judgment of the School Committee, he said, and this free cash funding would help make reductions for fees for spring sports.

Councilor Ciolino mentioned that Councilor Cox had wanted to see a reduction for other student fees not just those that are sports-related. **Dr. Safier** said that he could only go by what has been authorized by the School Committee. The other fees, he said were minimal, say \$30, as opposed to \$250 and that the emphasis is being placed on reducing the highest fees to students, which are for participating in athletics. **Councilor Ciolino** asked whether the Docksiders (high school band) have an outside engagement do the students paid for the transportation for does the school district. **Dr. Safier** said he did not know and would have to check. **Councilor Ciolino** said it should be the same as for football teams as it is for a music group. **Councilor McGeary** said he had a discussion with Jonathan Pope, School Committee chair who informed him because music events happen during the school day it is different than an athletic after school activity.

Councilor Cox said the music program is an in-school program which differentiates it. With the drama program, she noted, there is a student user fee of \$35 per program not per student per school year which she said adds up. It is, she said, the perception that is important. She said she does not agree with this requested free cash distribution; that it is still the same request in a different package and saw no new material about programs that are fee based. She said she wants a fuller explanation in particular because it is free cash. The revolving accounts, she noted, allow for getting past the June 30th deadline and allow the funds to be shared for fall sports. She reiterated herthis did not seem fair or adequate that the school district is only funding athletics.

Dr. Safier said the transportation is being reduced across the board, not just for athletics. **Councilor McGeary** said he was under that impression also that the money was only for athletics transportation but that it now appeared the money would be used to reduce fees for all bus transportation to and from school, not just after-school activities, which **Dr. Safier** confirmed.

Councilor Cox noted that four plays a year are produced in the drama program at the high school. For a family with two students the cost could be \$240 per school year. She said could not support the discount going to a select few. **Councilor McGeary** said the chair of the School Committee explained to him that the School Committee wanted to remove barriers, and the highest barrier is to the cost of athletic fees; lowering the fees was foremost to the School Committee. Lowering the fee by \$5 for drama club versus \$100 for the hockey team player was not the same. **Councilor Cox** also asked if the school district was cutting the football fee by 50 percent and, say, the field hockey fee by 30 percent. **Dr. Safier** said he did not have the Finance Director's spread sheet available to him to answer the question fully. **Councilor Cox** said she would second the motions for purposes of moving the discussion forward but could not support the distributions of free cash to the revolving funds and informed Dr. Safier he had until the Council meeting to change her mind. She expressed concern how her objection may be perceived said she could not see how one after school program is needier than another.

Councilor McGeary asked if there were scholarship programs available for needy students. **Dr. Safier** said there were. **Councilor McGeary** noted that the athletics budget is \$300,000 annually and that about half the cost is borne by the general fund and gate receipts. The rest comes from student fees and a contribution from the Gloucester Fishermen's Athletic Association (GFAA). **Dr. Safier** also spoke to a GFAA work incentive program

for student athletes under which the GFAA would contribute towards a student's athletic fees in exchange for public service work.

Councilor Cox reiterated she wanted to support the distribution of free cash for the athletic revolving fund, but with funding reductions not being equal for all fee-based programs, it remains an imbalanced distribution.

Councilor McGeary asked Dr. Safier for the Finance Director's spread sheet showing how many children would benefit from reduced fees for athletics for the spring and fall sports, and for transportation services, which he said would be important information for the Council. He asked it be sent to the Assistant City Clerk so it may be included in the Council packet for the February 26th Council meeting.

MOTION: On motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 2 in favor, 1 (Cox) opposed to recommend to the City Council the appropriation 2013-SA-108 in the amount of \$57,000.00 (Fifty-Seven Thousand Dollars) from the General Fund, Unreserved Fund Balance ("Free Cash"), Account #1010000.10.000.35900.0000.00.000.00.000 to Athletic Revolving Fund-Transfer From General Fund, Account #283001.20.991.49700.0000.00.000.00.040 to provide the School Department with funds to reduce athletic user fees by an estimated 50 percent for FY2013 and FY2014.

MOTION: On motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council the appropriation 2013-SA-108 in the amount of \$18,000.00 (Eighteen Thousand Dollars) from the General Fund, Unreserved Fund Balance ("Free Cash"), Account #1010000.10.000.35900.0000.00.000.00.000 to Transportation Revolving Fund-Transfer From General Fund, Account #283008.20.991.49700.0000.00.000.00.040 to provide the School Department with funds to reduce transportation fees by an estimated 50 percent for FY2013 and FY2014.

2. Memorandum from Police Chief re: approval of an amendment to the FY13 State E911 EMD Training Grant

Stacie Couture, Police Department Financial Coordinator said the E911 EMD Training Grant amendment contract is signed and the State has given their approval. She asked the Committee to accept it. The grant total has been amended to reflect increased costs for delivery of training.

Councilor McGeary asked had any reimbursement funds have been received yet to date from the state E911 department for FY12. **Ms. Couture** said none had been received to date. She said she has made another inquiry to the state, and that the department's billings for reimbursement to the state are up to date. The training courses, she said, go through this May. She sends the billings into the state every several months, she said, and the state informed her processing reimbursements from all state police departments was backed up and that she had been told last September that reimbursements would come in four to six months. The state keeps telling her that the reimbursements "are coming soon," no matter how many times she calls. The state owes reimbursements of \$130,000 for the last fiscal year and that there is about \$25,000 due for this fiscal year, **Mr. Costa** confirmed. If this grant reimbursement doesn't come in, at some later point, **Mr. Costa** said the funds will have to be gotten from somewhere to make the account whole or the city will face a free cash hit.

Councilor McGeary said given the training schedule there will be some outstanding reimbursements by the end of the fiscal year. **Mr. Costa** said the Department of Revenue (DOR) gives a window after the close of the fiscal year out to September for situations just like this. He said the hope is the funds from the state will come in before the end of this fiscal year so there is no hit to the City's free cash. **Councilor McGeary** encouraged Ms. Couture to bill as aggressively as she was able so that reimbursements could be received by the end of the fiscal year. **Ms. Couture** pointed out the latest training class ends May 20th but only if it is needed. All billings should be into the state by the end of the fiscal year, she said.

Mr. Costa said if the City doesn't get the FY12 reimbursements in by March he would be concerned, and said this is not typical of the state to be so late with grant reimbursements. He asked if the Police Chief might call the State to assist in expediting these reimbursements. **Ms. Couture** was asked by **Councilor McGeary** to update the Committee by email in a month as to the status of state reimbursements. **Councilor Cox** inquired if the paperwork could be done monthly. **Ms. Couture** said she would like to do monthly input but it is time consuming as this is only one of several grants for the department and the paperwork is "hefty." **Mr. Costa** said he suggested to the Chief that there should be quarterly input to the State. **Councilor McGeary** said if all FY12 and FY13 reimbursements for the E911 Training Grant were outstanding it would amount to \$250,000 that the City would have to make up or take as a hit against its free cash.

MOTION: On motion by Councilor Cox, seconded by Councilor Ciolino the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council in accordance with MGL c. 44, §53A to accept a \$19,871.40 FY2013 State E911 Emergency Medical Dispatch Training Grant Amendment from the State of Massachusetts 911 Department for a new total revised grant budget of \$112,057.40.

3. *Memorandum from DPW Director re: Acceptance of a donation of flood lights from Design Communications Ltd.*

Councilor McGeary said this request is to accept \$3,000 in lights from Design Communications Ltd.

Councilor Ciolino said whenever there is a donation being made to the City, there should be some kind of documentation on it such as a photograph and specifications so that the Council knows clearly what it is being asked to accept on behalf of the City.

Councilor Cox said she would appreciate someone from the DPW to have been present to answer these kinds of questions. She also asked if the flood lights could go to Mattos Field because Burnham's Field already has a budget for its rehabilitation. There is no lighting at Mattos Field now, she said.

The Committee directed the Clerk of Committees to send an inquiry to the DPW Director requesting a photograph and specifications on the flood lights as well as to learn whether the flood lights could be immediately be installed at Mattos Field.

MOTION: On motion by Councilor Cox, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council in accordance with MGL c. 44, §53A-1/2 to accept a donation of 12 RAB 150 watt HPS Flood Lights from Design Communications, LTD to the City of Gloucester with an estimated value of \$3,000.00.

4. *Memorandums from Harbormaster & Supplemental Appropriations-Budgetary Transfers 2013-SA-35 & 2013-SA-36*

Tony Gross, Waterways Board chair explained that the Board is requesting an appropriation from the Waterways Enterprise Retained Earnings Account (free cash) for up to \$30,000 to be used for the purpose of purchasing an additional patrol boat for use in the Annisquam River. It will be an open boat about 16 feet to 19 feet with a center console and a bimini top over it, with a 190 to 200 horse power engine which **Mr. Gross** described as a basic patrol boat. He and another Board member had just recently attended the Boston Boat Show and noted they saw some very good possibilities, some of them regional, in the Board's price range.

Councilor McGeary asked if the Assistant Harbormasters have enforcement capability on the water.

Harbormaster Jim Caulkett said the Assistant Harbormasters can enforce State Chapter 90B safe boating laws including boating while intoxicated. They work in conjunction with land-based law enforcement in cases of boating while intoxicated situations. He noted all Assistant Harbormasters are seasonal employees, and therefore are part-time.

Councilor Cox asked if this patrol boat could be built in Gloucester. **Mr. Gross** said it would have to be within the Board's budget.

MOTION: On motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council the appropriation of 2013-SA-35 in the amount of \$30,000.00 (Thirty Thousand Dollars) from the Waterways Enterprise, Retained Earnings ("Free Cash"), Account #7000000.10.000.35900.0000.00.000.00.000 to Waterways Enterprise, Boat & Equipment, Account #700000.10.492.58755.0000.00.000.00.058 to fund the purchase of an additional patrol boat for the Annisquam River.

Mr. Gross then spoke to an appropriation from the Municipal Waterways Improvements and Maintenance Fund for \$26,800 is to fund an engineering, marketing and location feasibility assessment for a proposed floating breakwater transient floating boat marina. The study will look at several locations in the harbor for its possible placement. **Mr. Gross** noted this money is coming out of a stabilization account that has Chapter 91 mitigation funds for public access. A report will be forwarded, he said, to the P&D Committee when it becomes available.

MOTION: On motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council the appropriation of 2013-SA-36 in the amount

of \$26,880.00 (Twenty-Six Thousand Eight Hundred Eighty Dollars) from the Municipal Waterways Improvements & Maintenance Transfer Out, Account #720000.10.996.39600.0000.00.000.00.059 to Capital Projects-Waterways, Floating Transient Boat Marina, Account #710003.10.492.53100.0000.00.000.00.052 to fund an engineering, marketing, and location feasibility assessment for a floating breakwater transient boat marina.

5. Report by the Fire Department EMS Coordinator, Sander Schultz, EMT-P re: status of ambulance service revenues for FY13 to date and to receive update on performance of new ambulance billing company

Councilor McGeary informed the Committee that at the request of the Administration, this matter will be continued to March 7, 2013.

This matter is continued to March 7, 2013.

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

Mr. Costa noted the FY13 Snow & Ice budget was voted by the City Council at \$650,000 for FY13. After the last blizzard, there is \$328,000 in pending invoices which are part of the next week's warrant. After that is processed there will be \$16,000 left out of the \$650,000. There are also encumbrances of \$158,000 for salt and sand. After all the encumbrances, the fund will be, **Mr. Costa** said, at a projected deficit of \$141,000 over the \$650,000 budget.

Councilor McGeary noted initially it was thought to raise the limit on emergency expenditures from this fund to \$1,000,000, but in his discussion with the Administration, he suggested and the Chief Administrative Officer agreed, to set the spending limit at \$1,500,000. **Mr. Costa** confirmed that two years ago the limit was set at \$1,500,000. He pointed out this is not the actual moving of the money; this allows the money to be spent if needed. Money will have to be moved into the account at the end of the fiscal year or it will have to be raised on the recap which, he said, he preferred to avoid. **Councilor McGeary** noted the Snow & Ice account can be spent in deficit but a limit still must be set as to what can be spent. **Councilor Cox** confirmed with **Mr. Costa** that FY14's Snow & Ice budget has to be set at a minimum of \$650,000 also.

MOTION: On motion by Councilor Cox, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council to accept the provision of MGL c. 44, §31D Snow & Ice Removal, to set a limit on emergency expenditures not to exceed \$1,500,000 (One Million Five Hundred Dollars). The increase of emergency expenditure authority is \$850,000 added to the current FY2013 Snow & Ice Removal appropriation budget of \$650,000.

Note: At the City Council meeting the motion voted on February 12th contained an error in language. This motion is a revote for 2013-SA-66 originally voted by the Budget & Finance Committee on February 7, 2013 to more fully describe the purpose of the transfer of funds.

Mr. Costa explained that, as voted in Council, the monies would have ended up in the wrong fund. He said the outside auditors prefer to see in the grant funds only expenditures made from the fund and reimbursements to the fund from the U.S. Department of Housing and Urban Development. The expenditures in the supplemental appropriation fund will be coming out of free cash from the General Fund. His recommendation, he said, is to have this money kept in the General Fund, as it is a General Fund expense. Had the Council vote been left to stand, he said it could have been a potential finding in the audit of the City's finances, which he wished to avoid.

MOTION: On motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council the appropriation 2013-SA-66 in the amount of \$18,000.00 (Eighteen Thousand Dollars) from the General Fund, Unreserved Fund Balance ("Free Cash"), Account #1010000.10.000.35900.0000.00.000.00.000 to General Fund, Community Development Department-Salary/Wages, Permanent Position, Account #101000.10.181.51100.0000.00.000.00.051 to fund FY2013 Community Development salaries in the General Fund due to potential cuts in HUD funding in the CDBG Federal Grant Fund.

Councilor McGeary stated for the record that 2013-SA-9 brought forward by the Administration in November 2012 and continued by the Committee until a comprehensive free cash plan was in place. 2013-SA-9 was supplanted by 2013-SA-37, as voted by the Committee on February 7, 2013.

By unanimous consent of the B&F Committee 2013-SA-9 is rendered moot and that Supplemental Appropriation number 2013-SA-9 is retired.

Mr. Costa briefly reviewed his submitted report (on file) with the Committee.

A motion was made, seconded and voted unanimously to adjourn the meeting at 6:54 p.m.

**Respectfully submitted,
Dana C. Jorgenson
Clerk of Committees**

DOCUMENTS/ITEMS SUBMITTED AT MEETING: None.