

CITY COUNCIL
AND
CITY COUNCIL STANDING COMMITTEE

Budget and Finance

Thursday, January 8, 2009 – 7:00 p.m.

Council Conference Room – City Hall

Attendance: Councilor Jason Grow, Chair, Councilor Steve Curcuru, Councilor Phil Devlin

Also: Jim Duggan, Marcia McInnis, Jeffrey Towne, Jim Caulkett, Chief Beaudette, Phil Terpos, George Sibley, Sarah Buck, Jim Perrin, Kirk Noyes

Absent: Councilor Joe Ciolino

The meeting is called to order at 7:00 p.m.

1. Memo from Harbormaster re: Grant request to Mass. Seaport Advisory Council.

Jim Caulkett, Harbormaster explained that this boat was on a transient mooring and was hauled out and is now at DPW awaiting the contract to be signed so it can be broken up.

MOTION: On motion of Councilor Grow, seconded by Councilor Devlin the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend to the full City Council approval of a grant application to Mass. Seaport Advisory Council in the amount of \$5,000 for removal of a derelict vessel in Gloucester Harbor.

2. Memo from Chief Beaudette re: Acceptance of FY09 Community Policing Grant.

John Beaudette, Police Chief stated the original amount of the grant was \$35,952 but budget cuts reduced that to \$27,395.42. We applied to upgrade our phone system and it was approved by the state.

Phil Terpos stated we have received an estimate of \$24,000 for the phone system.

Councilor Curcuru noted we asked for a copy of the allowable uses for the policing grant.

Chief Beaudette stated the money can be used for anything justified. Community policing is anything to do to improve communication and public relations with the public.

Councilor Curcuru asked if it can be used for personnel.

Chief Beaudette replied yes, it has in the past. This is something that we need – it is not a frill. We have the oldest phone system in the city.

Jim Duggan, Administrative Assistant to the Mayor stated the Chief proposed this during the last budget round. He is using other sources of money to deal with something he felt was a priority.

Councilor Grow stated last year when we discussed the community policing grant, we talked about the various uses for this grant. Basically we talked a lot about community policing and a lot about computer systems, but no where did we talk about ATVs and he is curious how we went from community policing to ATVs.

Chief Beaudette explained that last year after meetings with the unions on how we were going to spend the money – we were going to lose the money – so we bought equipment. It was worth every penny. We use them to haul people out of the woods on stretchers. It worked out on the beaches, during Fiesta and during parades. They are also being used this winter. They go to the library, elderly projects and the senior center. They are the best public relations tool that we have.

Councilor Grow asked for a breakdown of how that last \$35,000 was spent.

Chief Beaudette agreed to provide that.

Councilor Grow felt we were sold one thing and delivered a completely different thing.

Chief Beaudette stated it was an oversight on his part. This benefits everyone across the board.

Councilor Grow asked why you didn't spend the money on the phone system last year.

Mr. Terpos stated we weren't sure the state would accept it.

Councilor Grow would also like to see a copy of the proposal for the phone system.

Mr. Terpos will provide.

Councilor Devlin would like to see this move forward. He feels the ATVs are a good tool for the city. Maybe at the time it could have been put towards something else, but he is now glad we have them.

MOTION: On motion of Councilor Curcuru, seconded by Councilor Devlin the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend to the full

City Council acceptance of the FY2009 Community Policing Grant in the amount of \$27,395.42.

3. Memo from Chief Beaudette re: FY09 State E911 Incentive Grant.

John Beaudette, Police Chief stated most communities have already received this money. This has not been applied for but the money has to be spent by July 1st. We will be purchasing four chairs for the 911 operators and an emergency power supply and \$44,328 of this grant will supplement dispatchers and would be moved into the court overtime account. As of last pay period we have \$10,000 left in the court overtime account. We are also running a deficit in the training division but did a transfer to cover that. \$69,785 was budgeted for the court - that budget was cut 5% last year. The court system controls this so it is difficult to budget.

MOTION: On motion of Councilor Curcuru, seconded by Councilor the Budget and Finance Committee voted in favor, opposed to recommend to the full City Council permission for the Police Department to apply for an Emergency Communications Center Incentive Grant in the amount of \$49,778.

4. Special Budget Transfer Request from Mayor's Office.

Jim Duggan, Administrative Assistant to the Mayor has been meeting regularly with the Chief and Deputy Chiefs to build the communications bridges. One of the things that stood out is the time and effort the fire fighters have put in to renovating the kitchen in the fire station. They have requested \$500 to finish the floor in the kitchen.

Councilor Curcuru asked is the project done.

Mr. Duggan replied no, but it is soon to be finished.

MOTION: On motion of Councilor Grow, seconded by Councilor Devlin the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend to the full City Council Transfer 09-11 in the amount of \$500 from Mayor, Contingency/Emergency fund to Fire, Lumber and Building Materials. FIRE DEPARTMENT

5. Special Budget Transfer Request from Auditor.

Marcia McInnis, City Auditor estimated the cost of the external audit at \$5,000 and fixed asset work was not included in the base contract and the DOR requested additional

work from the independent audit, so the fixed asset and recap work was \$9,500. She asked that the transfer be adjusted to be \$9,500.

MOTION: On motion of Councilor Grow, seconded by Councilor Devlin the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend to the full City Council Transfer 09-12 in the amount of \$9,500 from Auditor, Salary/Wage-Permanent Positions to Auditor, Professional Audit Services. AUDITORS

6. Letter from George Sibley re: Gloucester Affordable Housing Trust

Sarah Buck, Community Development Director stated we received \$350,000 from the Village of West Gloucester who paid a contribution to the trust.

Jim Perrin, Community Builders stated we have applied for \$2 million in capital improvement from the state housing bond bill dedicated to preserving the physical rehab of some of our older buildings. Central Grammar is historic and 100% affordable and we have applied for tax credit equity of about \$5.9 million. That will be the bulk of the money that will go towards this. We are requesting a loan of just under \$2 million from Mass. Housing and the Gloucester Development Team is also working on the project.

Mr. Perrin stated Community Builders is a non-profit that has been in existence for 40 years and does building and management of affordable housing units.

Councilor Grow asked how these loans get paid back.

Mr. Perrin stated the tax credit equity is equity.

Councilor Curcuru asked how long this loan is for.

Kirk Noyes, Community Builders replied 30 years.

Ms. Buck stated the taxes subsidize the project through historical and low income tax credits.

Councilor Curcuru asked why this is a different entity.

Mr. Noyes replied the group is privately owned and has been around for over 30 years.

Councilor Curcuru asked will you use local people.

Mr. Noyes stated we need someone who can be bonded for about \$5 million.

Ms. Buck stated the \$2 million mortgage guarantees affordability for another 30 years.

Councilor Grow stated \$50,000 is a gesture of good will from the city.

Mr. Noyes stated it leverages the \$2 million.

Councilor Grow asked are we using that more as an alternative to building an affordable unit.

Ms. Buck explained state law allows you to put a unit on site, a unit off site or a contribution in lieu of and this provides a place to make that contribution to.

George Sibley, Affordable Housing Trust added it is a little early to say what the trend will be.

Councilor Curcuru asked if we have met the 10% affordable.

Ms. Buck replied we are about 8% but it is recalculated with every 10 year census.

Councilor Grow asked where the \$7.5 million is going to.

Ms. Buck replied it is a capital reinvestment.

Mr. Noyes added it is all for physical development.

Mr. Perrin stated one of the key things is sprinklers in the units. The other is energy conservation.

MOTION: On motion of Councilor Grow, seconded by Councilor the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend to the full City Council approval of a transfer of \$50,000 of Gloucester Affordable Housing Trust Funds to the Gloucester Development Team for the Central Grammar Apartments.

7. Updates on FY10 Budget process and FY09 YTD revenues and expenditures.

Marcia McInnis, City Auditor provided a summary of where we are right now in the General Fund, but it does not include encumbrances. She provided a summary of the revenue and expenditure totals year to date. (*copy in file*). She provided a summary of the revenues. (*copy in file*). The revenues are about 2% down.

Jeff Towne, CFO stated building permit fees are down year to date.

McInnis provided a summary of expenditures year to date, a summary of snow and ice expenditures, and combined balance sheets of the special revenue funds. (*copy in file*).

There is approximately \$700,000 that can go towards debt. There is \$1.6 million in the stabilization fund. There is a total of \$3.4 million available in special reserve funds.

Ms. McInnis stated the main salary permanent wages lag #51100 is \$280,000. There are other smaller accounts with additional lag.

Mr. Duggan stated the hiring of a City Engineer and a Paramedic would take off approximately \$70,000 of that \$280,000.

Ms. McInnis stated the Mayor has voted a snow emergency and the council needs to vote an over expenditure for snow and ice emergency. We now have \$400,000 overspent.

Information will be provided for the next B&F on the snow and ice deficit.

The FY10- Budget process was discussed.

8. Report from Auditor re: "Accounts with expenditures exceeding appropriations."

It was moved and seconded to adjourn the meeting at 9:30 p.m.

Respectfully submitted,

June Budrow

Clerk of Committees