

SPECIAL GLOUCESTER CITY COUNCIL MEETING

Tuesday, May 7, 2013 – 7:00 p.m.

Kyrouz Auditorium – City Hall

-MINUTES-

Present: Chair, Councilor Jacqueline Hardy; Vice Chair, Councilor Sefatia Theken; Councilor Joseph Ciolino; Councilor Steve LeBlanc, Jr.; Councilor Paul McGeary; Councilor Bruce Tobey; Councilor Greg Verga; Councilor Robert Whynott

Absent: Councilor Cox

Also Present: Linda T. Lowe; Jim Duggan; Kenny Costa; Jonathan Pope; Dr. Richard Safier; Suzanne Egan

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

Flag Salute & Moment of Silence.

Oral Communications:

Valerie Nelson, 7 Sunset Point Road spoke of the crisis striking the City's fishing fleet and port. She said stakeholders along with the Mayor are coming together to create a "bridge plan," which NOAA, congressional and state officials are interested in. She described the plan not as a bail-out for the industry, rather there is some transition relief; but there is also an element of investment in the fleet as research vessels and in the new processing ventures and innovation in the harbor. She asked the Council to lend their support to the Mayor's efforts with the stakeholder's efforts in conjunction with state and federal agencies that it is fully behind the crisis management bridge plan for reinvestment for the future of the City's fishing industry. During the budget cycle she asked the Council to consider what the City's contribution, working in conjunction with the Administration to fund this effort and suggested there was \$100,000 in the Community Development Maritime Fund which is unspent as a possible funding source.

Patti Page, 3 Tidal Cove Way spoke of a request of water rate rebates for waterfront processors, giving the example of Cape Pond Ice and other marine industrial businesses along the harbor whose businesses' have a high use of water. Gloucester, up until 1984, had a special water rate for industrial water usage. **Ms. Page** suggested now may be the appropriate time to revisit the reinstatement of this special water rate. She noted the water rate for Boston is \$7.15 per 1,000 gallons, New Bedford has \$2.96 rate per 1,000 gallons, and Gloucester is at \$9.16 per 1,000 gallons which she said affects overhead on these businesses. She was also asking for waste water pre-treatment for waterfront processors in the Fort and other waterfront locations. This issue has been, she said, been tossed around but asked it receive serious consideration.

Damon Cummings, 1063 Washington Street said when there was a recent forum on the fisheries crisis at which the head of the Hodgkins Cove Laboratory mentioned that the University of Massachusetts (UMass) was considering a fisheries extension agent to help the City, but the City is in competition with other communities. In follow up, the comment from UMass they had heard from no one in Gloucester. He asked the City contact UMass to let them know there is an interest in a fisheries extension agent to help bring funds into the fishing industry. He also mentioned there is no permanent staff for the Fisheries Commission and said this position should be funded and staffed by the City.

Presentation: Mayor Carolyn Kirk – Presentation of Mayor's Proposed FY14 Budget

Council President Hardy acknowledged the presence of Dr. Richard Safier, Superintendent of Schools and Jonathan Pope, Chair of the School Committee.

Mayor Carolyn Kirk informed the City Council that the Fiscal Year 2014 Budget was officially transmitted to the City Clerk's office today and pointed out her budget transmittal memorandum (on file); with the fiscal year beginning July 1, 2013 and ending June 30, 2014. She noting it is her obligation to submit to the City Council a balanced budget which is before the Council now.

Budget Transmittal Memorandum Review:

Page 1: The Mayor noted the Administration is showing the Council a \$3.6 million budget gap between what is proposed for FY14's budget and what department heads and the School Department asked for the Administration was unable to fund which had not been done in the past. She said the School Department gap amount is \$1,306,605;

and for City departments it is \$2,288,093. Non-funded new proposals on the City side included a Grants Compliance Manager; Sunday hours at the Sawyer Free Library; outskirt Fire Stations opening on a 24/7 basis; additional police officers and an Economic Development Director. Each department head will go through their requests in total in addition to the balanced budget with the B&F Committee, she said.

Mayor Kirk noted the available funds after netting off the reserve abatement and exceptions and debt shift for CSO is \$90,583,526. This reflects, she said, reflects an increase of 2.3 percent this year over the previous year.

Sec. 1, Page 2, #1 One-time Revenue: This page shows the expense the City carried for the Charter School and the City's use of one-time money the City used last year to help protect the school budget as the City absorbed the Charter School expense.

Sec. 1, Page 3, #2 State Revenues: The Mayor noted a chart showing the volatility of the Charter School assessment and reimbursement. She pointed out the black line going down which she said reflects the trend on net state aid which is going down. The Administration reviewed all local revenue, she said; and looked where the Administration could bump some up based on Free Cash results. If the Administration did not see a trend they were conservative on revenue bump ups.

Sec. 1, Page 4, #A.-H.: This section takes the Council through some of the revenue highlights. The Mayor pointed out one new item, Payment in Lieu of Taxes (PILOT) of \$40,000 from the Power Purchase Agreement with Equity Industrial Turbines, LLC. She noted a decline in parking revenue, yet there has been a significant increase in meals tax revenue. She said the City's financial team thinks the decline in parking revenues is because of the free parking available at I4-C2. She said the City seems to be making it up because of the vibrancy in the parking availability in the downtown shopping and dining district. Meal tax, therefore, is bumped up this year by \$75,000, but parking revenue is reduced by \$35,000. The Mayor made not of the summaries on Enterprise Fund revenues, Community Preservation Act revenues, the Talbot Rink, and Waterways.

Sec. 2, Page 5: School Budget Recommendations: The Administration, the Mayor said, is recommending \$1,000,000 over what was approved by the Council from last year's School Department budget. On the line items the City carries, those are going up \$900,000. She pointed out an \$111,000 increase on school choice tuition; the regional vocational school is up \$200,000. She said there is a great demand on school facilities which is carried in the DPW budget, and is up \$300,000. The Mayor said the available revenues for FY14 have been constrained in the ability to go directly to the School Department because the funds have to spread over these particular items the City carries. She noted a summary of the DPW school security plan; the Charter School savings is \$1,300,000 this year (netting off what was spent last fiscal year). All those monies have been distributed to the School Department totaling \$1,900,000.

Sec. 3, Page 6-7:

1. Police Department will have no additional staffing. Budgetary increases for the department are mostly due to the contract settlement and some adjustments made from shortfalls present this year.

2. Fire Department funding remains status quo except for vehicle maintenance, equipment and training. The Mayor noted the Administration is in negotiations with the Fire Department union and expressed the Administration is cautiously optimistic for a resolution to the long-term problem of getting the outlying stations open on a regular basis. Until that contract is resolved, she said, the department will go with the same level of services that have been delivered over the last several years.

5. The Sawyer Free Library will not need to apply for a waiver from the state, the Mayor said.

6. Tourism, Arts and Culture will be funded, the Mayor noted as well as for the two City cultural districts.

7. The Personnel Department is still in negotiations for health insurance. The Mayor said the Administration has calculated that by joining of the GIC (General Insurance Commission for State of Massachusetts) savings to the City would be approximately \$1,200,000 million, and said the Administration will continue to urge the Council to adopt the General Laws to facilitate that negotiation.

8. Community Development will have a slowdown of its reimplementation of its reorganization because there was partial funding last year and full funding this year.

9. Debt. The Mayor noted debt will be redistributed as the City looks at water and sewer coming on line.

Sec. 4, Page 7: The Mayor briefly reviewed the Enterprise Accounts and pointed out the City's water rate will stay steady with a zero percent increase. The sewer rate, however, is estimated to go up by 10 percent. The reason, she said, was that the permanent financing for the sewer treatment plant has hit the books. The Mayor pointed out that was a mandated project under a consent order of the Department of Environmental Protection which is about a \$23 million project; and the long-term debt is now showing up in the sewer rate.

In closing, **Mayor Kirk** said the Administration said she was pleased to present a balanced budget for FY14 and looked forward to working cooperatively with the Council and come to consensus on City priorities for the upcoming fiscal year.

Council President Hardy asked how quickly the proposed FY14 budget could be put up on line for the general public to be viewed. **Mayor Kirk** said the budget would be posted on the City's website by the end of the week. **Council President Hardy** also asked that the B&F Committee budget meeting schedule be put on line as well which the Mayor assented to as well. **Councilor McGeary** added his request that the budget also be posted in an Excel format as well.

Councilor McGeary, Chair of the Budget & Finance Committee noted this would start a long process for his Committee and invited the public to attend and meetings which will continue through the middle of June.

MOTION: On motion by Councilor McGeary, seconded by Councilor Ciolino, the City Council voted 8 in favor, 0 opposed, 1 (Cox) absent that in accordance with MGL c.44, §32 and pursuant to the Gloucester City Charter Sec. 6 that the City Council accepts receipt of the Mayor's FY14 Proposed Budget and becomes the budget of the City Council and to refer this budget to the Budget & Finance City Council Standing Committee for further review.

Council President Hardy announced that on June 11, 2013 there will be the public hearing on the FY14 proposed budget at 7 p.m. in Kyrouz Auditorium, and that on June 18th the Council will take their votes on the FY14 budget.

For Council Vote

A. Budget & Finance Standing Committee Report of April 18, 2013 re: Supplemental Appropriation-Budgetary Request (#2013-SA-122) re: Elementary Schools Assessment (Cont'd from CCM 04/23/13)

By the unanimous consent of the Council this matter was continued to May 14, 2013 at which time with the assistance of Councilor Tobey, it has been arranged that a representative of the MSBA will be making a presentation to the Council and will allow the Council to ask questions.

This matter is continued to May 14, 2013.

B. Decision to Adopt: SCP2012-010: Commercial Street #47-61 pursuant to GZO Sec. 5.25 Hotel Overlay District and Sec. 5.5.4 Lowlands

Councilor Tobey moved, and **Councilor Verga** seconded for the City Council to adopt the Special Council Permit Decision for Commercial Street #47-61 pursuant to GZO Sec. 5.25 Hotel Overlay District; Sec. 5.25.3.1(a) and (b) Hotel and Accessory Uses; Sec. 5.25.4.1 Height; Sec. 5.25.5.1 Off-Site Valet and Tandem Parking; Sec. 5.25.7.2 and 5.5.4 Lowlands; and Sec. 5.7 Major Projects of the Gloucester Zoning Ordinance.

With the assent of the Council, **Councilor Tobey** made the following statement:

"Tonight, by adopting a Final Decision under the provisions of our Zoning Ordinance, this City Council completes work on an important economic development project: the rebirth of the Birdseye site as the home of Beauport Hotel. It is a project which will bring new life to both our downtown and our community as a whole, and its approval has been painstakingly won.

It is the product of literally years of discussion and review by several City Councils as well as the Planning Board and the Conservation Commission. It brings to fruition hundreds of hours of public meetings and hearings, the work of entrepreneurs with a dream and the capacity to realize it, and the visioning efforts of three Gloucester Mayors. It captures a widely held belief that Gloucester desperately needs a year-round, business-class hotel and conference facility, and it reflects a broadly shared community sense that the Fort needs to more fully realize its potential as an economic engine.

Zoned Marine-Industrial and partially lodged in the Designated Port Area, the Fort is a complex place, existing as a maritime industrial park inextricably intertwined with the non-conforming use of a residential neighborhood. With this complexity in mind, we worked relentlessly to thread a fine needle, addressing the concerns of businesses,

homeowners and tenants so that this project could proceed without harming their familiar ways of life. In my opinion, our work achieved that goal.

The result will be a facility that promotes our tourism economy while being respectful of our maritime heritage. It enables our entry into the 21st century world of bio-marine science and industry, and provides important financial opportunities to our community and the people who live in it. It does the fishing industry no harm, and it continues our tradition as a place where a multi-faceted economy is an inarguable reality.

We City Councilors have been challenged by some in our support of this project, but I genuinely believe we have made the right decision for Gloucester's future by voting to allow the Beauport Hotel to proceed. Now those who have fought this project face a challenge of their own. The council's adoption of this Final Decision and its filing in the Registry of Deeds triggers a new appeal opportunity for those who seek to oppose or delay the construction of the Beauport Hotel. Will they exercise their right to pursue that appeal, or will they engage the obligation of every citizen to join in the common cause of advancing our community?

I hope they will move on from their opposition and focus instead on the promotion of investor-ready economic opportunities for other waterfront sites that have sat too long unused. But if they do not move on and instead continue to oppose, I hope every member of this community will challenge them in their opposition and hold them accountable for its consequences.

What are those consequences? Here are just a few of them:

1. Our Chief Financial Officer has prepared a conservative estimate of the annual revenue stream that will flow to the City when the hotel is up and running. Real estate tax payments, meals tax receipts, and room tax revenues will generate more than \$750,000 per year for our local government. That's money that can be spent on renewed services, debt reduction, and local revitalization. Ask them how they can justify, by their appeal, delaying the receipt of those financial resources by your community.
2. The City is about to embark on a multi-million dollar reconstruction of the water and sewer systems that serve the Fort. Construction of the hotel will generate the payment to the City of many of those dollars, some from the developer and others from a state economic development grant prompted by the hotel's construction. Our receipt of those monies will be delayed by an appeal, but our obligation to repay the debt that flows from that reconstruction will not. That obligation will have to be borne entirely rather than partially by water and sewer ratepayers in the meantime as an appeal drags on. Ask them why it is fair that you should have to pay even higher water and sewer bills on account of their appeal.
3. The hotel's business plan has clearly demonstrated that its operation will create 150 jobs for a City with an unemployment rate higher than the state average. People need those jobs, but their need will go unfulfilled for every day that an appeal is prosecuted. Ask them to explain that loss to your neighbor who needs one of those jobs.
4. A well-established team has come forward with a concrete plan to create a building and a business that would enhance any community, and it has been identified by other entrepreneurs as a lynchpin to their efforts to launch us into a bright new biosciences-based economic future. That future will be jeopardized by continued opposition. Ask the opponents to produce their bankable business plans that would similarly advance Gloucester into the future.

The bottom line is simple. We need to get over our differences and get on with the Beauport Hotel which will promote our continued economic evolution and lead to new and diverse growth for our City. It is time for the people of Gloucester to stand strongly in favor of this project."

MOTION: On motion by Councilor Tobey, seconded by Councilor Verga, the City Council voted by ROLL CALL 8 in favor, 0 opposed, 1 (Cox) absent, to adopt the Special Council Permit Decision for Commercial Street #47-61 pursuant to GZO Sec. 5.25 Hotel Overlay District; Sec. 5.25.3.1(a) and (b) Hotel and Accessory Uses; Sec. 5.25.4.1 Height; Sec. 5.25.5.1 Off-Site Valet and Tandem Parking; Sec. 5.25.7.2 and 5.5.4 Lowlands; and Sec. 5.7 Major Projects of the Gloucester Zoning Ordinance.

C. Ordinance and Administration Committee Standing Committee Report of May 6, 2013 re: Hiring Backup Person for Committee Minutes & Council Vote under MGL Chapter 268A, §20

MOTION: On motion by Councilor LeBlanc, seconded by Councilor Whynott, the Ordinances & Administration Committee voted 3 in favor, 0 opposed to recommend to the City Council under MGL c. 268A, §20(b) to appoint

Jaimie Corliss to be a substitute recorder of the City Council sub-committee meetings not to exceed 500 hours per calendar year.

DISCUSSION:

Councilor Whynott explained this Council action is so that a person already employed as a municipal employee can act as a substitute recorder as a second position which will then comply with Massachusetts General Law concerning possible conflict of interest, of which there is none. Responding to an inquiry by **Council President Hardy, Linda T. Lowe** City Clerk informed the Council the substitute recorder will need to start in that role the following evening. Due to the immediacy of the Council's need, **Council President Hardy** said she would entertain a Motion to Reconsider following the Council's vote on the main motion.

MOTION: On motion by Councilor Whynott, seconded by LeBlanc, the City Council voted by ROLL CALL 8 in favor, 0 opposed, 1 (Cox) absent under MGL c. 268A, §20(b) to appoint Jaimie Corliss to be a substitute recorder of the City Council sub-committee meetings not to exceed 500 hours per calendar year.

MOTION: On motion by Councilor Theken, seconded by Councilor Verga, the City Council voted by ROLL CALL 1 (Whynott) in favor, 7 opposed, 1 (Cox) absent to reconsider the vote under MGL c. 268A, §20(b) to appoint Jaimie Corliss to be a substitute recorder of the City Council sub-committee meetings not to exceed 500 hours per calendar year.

MOTION FAILS.

Councilor Tobey announced his resignation as Chair of the P&D Committee and highly recommended Councilor Verga as the new Chair of P&D. **Councilor Verga** accepted the chairmanship of that Committee. **Councilor Tobey**, at the request of **Council President Hardy** would stand in with as Vice Chair.

Councilor McGeary said on behalf of the entire Council he thanked Councilor Tobey who chaired the Planning & Development Committee at opportune time during the permitting of the Beauport Gloucester LLC Hotel.

Councilor Theken congratulated the City Hall Restoration Committee for their successful fundraiser last Saturday and Bananas for their fashion show. She thanked Maggie Rosa especially.

A motion was made, seconded and voted unanimously to adjourn the meeting at 7:43 p.m.

Respectfully submitted,

Dana C. Jorgensson
Clerk of Committees

DOCUMENTS/ITEMS SUBMITTED AT MEETING:

- **City of Gloucester FY14 Proposed Budget**