

Budget & Finance Committee
Thursday, May 22, 2014 – 6:30 p.m.
1st Fl. Council Committee Rm. – City Hall
-Minutes-

Present: Councilor Paul McGeary; Councilor Paul Lundberg (Alternate)

Absent: Councilor Cox, Councilor Fonvielle

Also Present: Kenny Costa; John Dunn; Police Chief Leonard Campanello; EMS Coordinator Sander Schultz; Adam Curcuru; Nancy Papows; Suzanne Egan; Joan Whitney; Stephen Winslow; Gregg Cademartori; Noreen Burke

The meeting was called to order at 6:30 p.m.

1. *Special Budgetary Transfer (2014-SBT-35) from Police Department*

Police Chief Leonard Campanello briefly explained that the Police Administration Telephone Service account had a small deficit. The account for Police-Administration, Sick Leave Buy-Back has a small surplus after staff payouts enabling the transfer to take place.

MOTION: On a motion by Councilor Lundberg, seconded by Councilor McGeary, the Budget & Finance Committee voted 2 in favor, 0 opposed, to recommend that the City Council approve Special Budgetary Transfer 2014-SBT-35 for \$1,235.15 from Police-Administration, Sick Leave Buy-Back, Account #101000.10.210.51920.0000.00.000.00.051 to Police Administration, Telephone Services, Account #101000.10.210.53410.0000.00.000.00.052 for the purpose of providing telephone services and secure internet connection to the Gloucester Police Department.

2. *Memorandum from Director of Veterans Services requesting to repurpose the \$2,000 free cash appropriation*

Adam Curcuru, Veterans Agent, said that this transfer of funds was originally intended for maintenance of memorial squares. Since the memorial signs are new he suggested maintaining the signage is not necessary at this time and that money be repurposed for buying new ceremonial flags as well as the harnesses and staffs used for Memorial Day events. He asked that the Council approve the redirection of half of the funds for that purpose.

MOTION: On a motion by Councilor Lundberg, seconded by Councilor McGeary, the Budget & Finance Committee voted 2 in favor, 0 opposed, to recommend that the City Council permit the repurposing of Supplemental Appropriation 2014-SA-57 in the amount of \$2,000 from General Fund – Undesignated Fund Balance (“Free Cash”) appropriation, Account #101000.10.000.35900.0000.00.000.00.000 to Veterans Services, Public Relations, Account#101000.10.543.578900.0000.00.000.00.057 that was approved by the City Council on March 25, 2014 to now be used for the purchasing of flags, poles, stands, carrying harnesses, emblems and the upkeep of memorials throughout the city.

3. *Memorandum from Principal Assessor Nancy Papows re: Declaration of Overlay Surplus for FY2013 and FY2012*

Nancy Papows, Principal Assessor, informed the Committee the Board of Assessors has declared an overlay surplus for FY 2012 in the amount of \$10,000 and for FY 2013 in the amount of \$110,000. She said this comes from the Overlay Reserve, monies set aside each year to cover abatements and exemptions. Not all of the overlay funds were used, and they are available now to be reappropriated. In the FY12 and FY13 overlay accounts balances remain to account for outstanding appellate tax board (ATB) cases and uncollected personal property taxes.

Kenny Costa, City Auditor, pointed out that these funds have to be appropriated by June 30 otherwise they fall to the General Ledger bottom line and become Free Cash. **John Dunn**, CFO, said he is recommending that the city write off uncollected personal property taxes from past years which would assist in freeing up another \$80,000 to overlay surplus, he said. These funds, then, could be transferred to help cover the FY14 Snow and Ice deficit.

4. *Memorandum from Community Development Director re: City Council acceptance of a*

Commonwealth of Massachusetts “Our Common Backyard” grant in the amount of \$200,000

Stephen Winslow, Senior Project Manager, said that this grant from the Mass. Office of Energy and Environmental Affairs for \$200,000 will be used for improvements to the Palazola Playground, also known as “The Oval” off of Centennial Avenue. The grant will be used primarily to update play equipment and create an Americans with Disabilities Act (ADA) accessible path to the ball fields and playground. Project funds must be expended by December 31, 2014. Equipment from the Oval Playground will be given to the Gloucester Housing Authority for their use. A match commitment of \$27,400 will be funded through the Community Development Block Grant (CDBG) program, he confirmed, and will also pay for the designs.

MOTION: On a motion by Councilor Lundberg, seconded by Councilor McGeary, the Budget & Finance Committee voted 2 in favor, 0 opposed to recommend that the City Council accept under MGL c. 44, §53A a grant from the Massachusetts Office of Energy and Environmental Affairs for the “Our Common Backyards Grant Program” in the amount of \$200,000 for the purpose of improvements to Palazola Playground also known as “The Oval Playground” and including the language of the resolution to apply and accept the grant funds for the Palazola Playground as follows:

- Whereas: Palazola Playground off Centennial Avenue (aka The Oval) provides important recreational Facilities to Gloucester residents including an athletic field and play structure, the Improvements to this facility are a city priority as evidenced in the most recent Open Space and Recreational Plan; and**
- Whereas: The city acquired the Oval (Assessor’s Map 22, Lot 17; Essex South Registry of Deeds Book 34601 Page 437) through a grant o the City of Gloucester on December 5th 1945;**
- Whereas: The Oval Improvements Project will install new accessible play equipment and paths, etc;**
And
- Whereas: The Executive Office of Energy and Environmental Affairs, (EOEEA) is offering reimbursable grants to cities and towns to support the preservation and restoration of urban parks through the Our Common Backyards grant program and**
- Whereas: Site preparation and installation of the improvements will cost a total of \$227,400 (Two Hundred, Twenty Seven Thousand Four Hundred Dollars) and the city has allocated \$27,400 (Twenty Seven Thousand Four Hundred Dollars in Community Development Block Grant Funds for the improvements; and**
- Whereas: The Budget and Finance Committee of the Council has reviewed and approved this Resolution as required by city ordinance,**

NOW, THEREFORE, BE IT RESOLVED THAT

- 1. The Mayor has been authorized to apply for a \$200,000 Our Common Backyards grant form the Executive Office of Energy and Environmental Affairs; and**
- 2. The City Council, hereby agrees to accept such grant and the dedication of \$27,400.00 in Community Development Block Grant funds to serve as a match; and**
- 3. The Mayor is hereby authorized to take such other actions as are necessary to carry out the terms, purposes, and conditions of this grant to be administered by the Community Development Department;**
- 4. The City hereby permanently dedicates the entire 2.71 acres as described in Attachment A to park and recreation purposes under MGL Chapter 43 Section 3 and Article XCVII of the Massachusetts Constitution; and**
- 5. This resolution shall take effect upon passage.**

ATTACHMENT A

a certain parcel of land situated on the Westerly side of Centennial Avenue, formerly called Bridge Street, in said GLOUCESTER, said parcel being known as the "Oval" and referred to as "Gloucester Athletic Club Grounds" on "Plan of Property Situated near Bridge St., Gloucester, Mass. Belonging to Mrs. Margaret Powers," made by Pool & Cannon, Engineers & Surveyors, dated March 1899 and to be recorded herewith, said premises being more particularly bounded and described as follows: Southerly by four (4) courses 52.25 feet, 224.85 feet, 75.23 feet, 204.87 feet by land now or formerly of Stevens, Utterberg, Williams, Carr, Harding, Powers, O'Malley, Marchant, Robley, Solberg and Saunders, by Norton Place and by land now or formerly of Bryner; Westerly by land of City of Gloucester, called the "Poor Farm" 150.27 feet; Northerly by four (4) courses 164.9 feet, 150.52 feet, 86.23 feet, 154.23 feet by land of Soullin, Clark's Cemetery and Old Cemetery; Easterly by four (4) courses 127.5 feet, 51.07 feet, 113.95 feet, 83.25 feet by land of Deneau, Stack, Anderson, O'Malley, Orlando, Twomey, Sanborn, Olson, Griffin, Nelson, Strople and Lowe; Northerly by said land of Lowe 61.73 feet; Easterly by Centennial Avenue 32.37 feet; containing 118,075 square feet more or less. For grantor's title, see will of Margaret Powers, Essex County Probate No. 110541. Meaning to convey same premises described in deed of Brown to Margaret Powers recorded in Essex South District Registry of Deeds, Book 1321, Page 275.

5. *Communication and relevant material from EMS Coordinator re: recommendations to update the City of Gloucester Fire Department Ambulance Service Billing and Collection Policy*

Sander Schultz, Emergency Medical Services Coordinator for the Fire Department explained the request to update the Ambulance Service Billing and Collection Policy and answered direct questions from the Committee as follows:

Municipalities are moving away from standardizing billing structure of Medicare +300 percent. It is now being recommended that the ambulance services be billed for a straight dollar amount which is calculated and shown on page 3 of his amended memo received by the City Clerk's office on May 20 (on file). If the rate increases are accepted, ambulance revenues, it is estimated, would increase 1.5 percent, slightly over \$16,000, for FY15. It is projected that the ambulance service revenue will be about \$1 million for FY14. In a brief review of the new fee structure, it was noted that there are 22 active paramedics in the department, and there will be about 7 paramedics per firefighting group under the new staffing scheme. The department is looking to have a paramedic on fire engines in outlying stations as of July 1 with fully equipped jump kits, medication boxes and defibrators in order to provide immediate care while awaiting the arrival of the front-line ambulance from Central Station. **Mr. Schultz** also briefly reviewed the use of private ambulance services by the department when both the front-line ambulances are engaged in emergency medical runs, noting it is standard operating procedure. He noted that the department transported 2,100 people with 2,600 ambulance calls overall last year.

MOTION: On a motion by Councilor Lundberg, seconded by Councilor McGeary, the Budget & Finance Committee voted 2 in favor, 0 opposed, to recommend that the City Council approve the Gloucester Fire Department Billing and Collection Policy as presented by the EMS Coordinator and approved by the Mayor dated May 6, 2014 and further to approve the proposed fee schedule attached to and incorporated into the policy effective July 1, 2014.

Mr. Schultz briefly discussed with the Committee whether the department would continue to retain a collection agency paid on a per-collection basis. He said he would take this matter up with the CFO early in FY15. A small percentage of ambulance calls go to collections, he noted. **Mr. Costa** expressed agreement with the appropriate action of writing off the uncollectible outstanding ambulance billing in order to clean up the city's financial records.

MOTION: On motion of Councilor Lundberg, seconded by Councilor McGeary, the Budget & Finance Committee voted 2 in favor, 0 opposed to recommend that the City Council authorize the write-off of \$401,670.56 in uncollectible, outstanding ambulance billing.

6. *Memorandum, Grant Application & Checklist from Community Development Director re: Green Communities grant in the amount of \$250,000*

Matt Coogan, Senior Planner, explained briefly that the city has applied for a \$250,000 competitive grant through the state's Department of Energy Resources. This grant will help fund upcoming oil-to-gas conversion of the heating system at the O'Maley Innovation School, including the installation of new high-efficiency heating and domestic hot water systems. He noted as a Green Community, the city has pledged a 20 percent energy reduction. Converting the O'Maley School heating and domestic hot water systems from an oil to gas system will drastically reduce CO2 emissions and reduce the city's energy consumption, and significantly reduce fuel costs. Submitted (on file) engineering studies estimate this project will reduce energy consumption citywide by 2 percent and reduce annual fuel costs by \$120,000. The goal is to complete this project before the beginning of the next heating system (in October). This is a capital project in the DPW budget which would have been done wholly by a loan authorization but if the city is awarded this grant, half of the cost of the boilers would be covered.

The Committee determined that there was no requirement for the Council to approve the application under the current ordinance and the grant application notification was accepted for the Committee's file.

7. *Memorandum, Grant Application & Checklist from Community Development Director re: City Council acceptance of a Mass Electric Vehicles Incentive Program (EVIP) grant award in the amount of \$40,000*

Mr. Coogan explained the city has been awarded funding for phase II of the Mass. Electric Vehicles Incentive Program (MassEVIP) by the Mass. Department of Environmental Protection (MDEP). The program provides funding towards the purchase of full electric and electric hybrid vehicles as well as vehicle charging stations. Under the advice of MDEP staff, the city applied for the maximum funding for vehicles and charging stations with the understanding that the city is not obligated to make purchases. The city can update their plan on vehicle needs and available funds. Once the contract is signed, the city has one year to make the vehicle/charging station purchases (\$5,000 per hybrid vehicle or the cost of the purchase of one all-electric vehicle) and to receive the funding reimbursement from MDEP. **Mr. Coogan** said it is hoped to add to the city's fleet at least one or two hybrid vehicles subsidized by this grant. If the funding is not used within a year it will be reallocated to another community, he said. The Committee briefly discussed the need for charging stations for the hybrid and all-electric vehicles and where they might be stationed on city or private property.

MOTION: On a motion by Councilor Lundberg, seconded by Councilor McGeary, the Budget & Finance Committee voted 2 in favor, 0 opposed, to recommend that the City Council accept under MGL c. 44, §53A a Massachusetts Electric Vehicle Incentive Program grant in the amount of \$40,000 from the Massachusetts Department of Environmental Protection.

8. *Memorandum, Grant Application & Checklist from Public Health Director re: City Council acceptance of a one-year extension in the amount of \$80,000 of the Underage Drinking Prevention Grant from the Bureau of Substance Abuse Services*

Noreen Burke, Public Health Director, explained that: The \$80,000 award represents the last one-year extension of the Underage Drinking Prevention Grant from the state's Bureau of Substance Abuse Services. The grant extension will allow the city to continue its implementation of the key priorities of Gloucester's Underage Drinking Prevention Strategic Plan, whose implementation is led by Joan Whitney of the Healthy Gloucester Collaborative. The end date of the grant will then mark the end of this five-year federal Center for Substance Abuse Prevention grant.

Councilor Lundberg asked about the effectiveness of the program efforts. **Ms. Burke** said the reported incidents of third-parties buying liquor for young people has improved according to the 2011 and 2013 survey of high school students. While the data overall shows the city is above the state averages, it is trending down. **Ms. Whitney** explained the coalition between the Gloucester Police Department and the Licensing Board, the Health Department and the Healthy Gloucester Collaborative around third-party buying of liquor. The Police Department was able to be completely trained for best practices in enforcement and prevention, she noted. The Licensing Board

Chair has revised policies, and through some grant funds the Police Department has taken on more compliance checks. The last piece of the collaborative strategy is that the police officers have become agents of the Licensing Board. On another matter, **Ms. Whitney** reported that marijuana use among teens is now becoming a focus because data shows that only 28 percent of high school students report a perception of harm.

Councilor McGeary pointed out that the 13- and 14-year-old population is most at risk. He asked about the lack of the funding for the next year. **Ms. Burke** said another grant through the Mass. Department of Public Health will be offered in all likelihood; and be offered on a regional basis. She said strategizing is already underway with the city's regional partners and expressed her belief the city will be well positioned to compete for the next grant.

Sander Schultz, EMS Coordinator, added that there is a reduction in the number of adults who frequently use the city's ambulance service due to alcohol or drug abuse. He also noted that alcohol abuse prevention in teens has to be looked at based on multi-generational issues. **Ms. Whitney** pointed out that the Police Department is also collecting data to support the documentation of improvements in outcomes as is the city's Fire Department ambulance service. **Mr. Schultz** and **Ms. Whitney** both agreed that because the city has taken a broad view of the issues of teen drug and alcohol abuse and is progressive in instituting programs to combat the problem, that the city is well positioned to move forward in the next round of grants through the Department of Public Health.

MOTION: On a motion by Councilor Lundberg, seconded by Councilor McGeary, the Budget & Finance Committee voted 2 in favor, 0 opposed, to recommend that the City Council accept under MGL c. 44, §53A a one-year extension in the amount of \$80,000 of the Underage Drinking Prevention Grant from the Federal Center for Substance Abuse Prevention (CSAP) and passed through the Bureau of Substance Abuse Services of the Massachusetts Department of Public Health.

9. *Memorandum from General Counsel to City Council re; Water debt service charges*

Suzanne Egan, General Counsel, explained that: This issue of the water debt being shifted to the property tax, O&A Committee voted to recommend that the state statute to allow for the shifting of the water debt be adopted. What the B&F Committee is doing in its vote is to authorize the city to adopt the state law to enable the city to do a water debt shift as well. The designation of the amount of the debt shift would be done within the context of the setting with the water rate. This vote to adopt the state statute would come before the Council's vote on the water rate. The Committee discussed with Ms. Egan that it would be appropriate to vote to move 100 percent of the water debt rate onto property taxes and that when the matter comes before the Council at its May 27 meeting it would be discussed and then by vote a determination would be made as to the actual final percentage for the water debt service charge shift.

MOTION: On a motion by Councilor Lundberg, seconded by Councilor McGeary, the Budget & Finance Committee voted 2 in favor, 0 opposed, to recommend that the City Council accept Massachusetts General Law Chapter 59, §21C(n) authorizing the city to hereafter assess taxes in excess of the amount otherwise allowed by Chapter 59, §21C(n) solely for payment in whole or in part, of water debt service charges, provided that water charges shall be reduced by the amount of any such aggregate additional taxes assessed and such additional taxes shall be on all real property.

MOTION: On a motion by Councilor Lundberg, seconded by Councilor McGeary, the Budget & Finance Committee voted 2 in favor, 0 opposed, to recommend that the City Council that under Massachusetts General Law Chapter 59, §21C(n) that 100 percent of the water debt service charges be shifted to the tax levy.

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

Mr. Costa explained that he was advised by Mark Cole, Assistant Public Works Director that the funds appropriated from the Talbot Rink Enterprise Fund Retained Earnings (Free Cash) will not be able to be expended in time before the close of FY14 due to the bidding process. The funds are currently in an operating account. As a result, it is his suggestion that the Council move the \$80,000 from the approved 2014-SA-65 (May 13, 2014) to the Talbot Rink Capital Projects Fund, Building Improvements in order to secure the funds so that they may be expended at the start of FY15 for the purpose of purchasing a new hot water ice melting system and the installation of a new floor in the upstairs lobby and restroom of the Dorothy Talbot Rink.

MOTION: On a motion by Councilor Lundberg, seconded by Councilor McGeary, the Budget & Finance Committee voted 2 in favor, opposed, to recommend that the City Council permit the amendment of Supplemental Appropriation 2014-SA-65 in the amount of \$80,000 from the Talbot Rink Enterprise Fund – Retained Earnings (“Free Cash”), Account #620000.10.000.35900.0000.00.000.00.000 to Talbot Rink Capital Projects Fund, Building Improvements, Account#620000.10.475.58425.0000.00.000.00.058 for the purpose of purchasing a hot water ice melting system and a new floor in the upstairs lobby and restroom for the Dorothy Talbot Skating Rink. The original Supplemental Appropriation was approved by the City Council on May 13, 2014.

Mr. Costa then reviewed his documentation with the Committee.

A motion was made, seconded and voted unanimously to adjourn the meeting at 8:00p.m.

Respectfully submitted,

Dana C. Jorgensson
Clerk of Committees

DOCUMENTS/ITEMS SUBMITTED AT MEETING: None.