

**Budget & Finance Committee**  
February 5, 2015 – 4:30 p.m.  
**1<sup>st</sup> Fl. Council Committee Room – City Hall**  
-Minutes-

**Present:** Chair, Councilor Melissa Cox; Vice Chair, Councilor William Fonvielle; Councilor McGeary  
**Absent:** None.  
**Also Present:** Councilor LeBlanc (left at 5:00 p.m.); Jim Destino; Kenny Costa; John Dunn; Tom Daniel; Sal DiStefano, Sr.

**The meeting was called to order at 4:30 p.m. Matters were taken out of order.**

1. *Administration's supplemental budget requests from free cash (Cont'd from 01/08/15)*
  - *2015-SA-10: Support Design & installation of David Black Sculpture (\$30,000)*

This matter is before the City Council; therefore, no further action is required by the Committee at this time, and B&F Chair, **Councilor Cox** said this matter will be taken up on Tuesday, Feb. 10 under the B&F Committee Report to continue the discussion on the matter. **Councilor McGeary** and **Councilor Cox** both noted that the joint ward meeting regarding the sculpture and its proposed placement at Solomon Jacobs Park is postponed due to weather. **Mr. Destino** and **Councilor McGeary** briefly touched upon the National Grid lease agreement for the Harbormaster's building and pier noting that negotiation will be concluded by month's end. Information came forward at the Jan. 8 B&F meeting that part of the lease agreement included National Grid's contribution of installing a base pad for the David Black sculpture.

- *2015-SA-13: Funds for Community Development to support economic development (\$24,000)*

**Tom Daniel**, Community Development Director and **Salvatore DiStefano, Sr.**, Economic Development Director, outlined the successful placements for the city's economic development efforts as well as heightening awareness of the city's visitor-based economy, casting the city in a positive light in a variety of media settings as an inviting community to do business in and visit (referred public relations documentation from Mills Public Relations of Boston on file).

**Mr. DiStefano** highlighted some of the successful media opportunities that were taken advantage of in 2014, and spoke about the Boston Seafood Exposition (March 14-17 in Boston) and how there are plans for tie-in's with a media campaign tentatively titled "Innovate Gloucester." He said they are aggressively active in exploring ways to have the city be a place for new business to come to and grow. It was noted that Tom Gillett, Executive Director of the EDIC (Economic Development Industrial Corporation) has been working with Community Development as well. He said it is best to be aggressive in putting out positive stories on the city. **Mr. Daniel** added the public relations campaign is an on-going strategy about investment in Gloucester which he said is hard to quantify, but is more bang for the buck than investing in specific advertising. He reiterated it is important that the city be shown in a positive light and that the media hits that the city has had in the last year have been incredibly useful for the point of contact with prospective businesses interested in the city. He pointed out it is about leveraging this effort to move the public relations effort forward to make gains for the city's economic development. **Mr. DiStefano** pointed out there are a dozen countries the city has reached out aggressively to bring them here on the Monday of the Seafood Exposition and said it is important to see the story told, and that a PR company with the professional relationships can place those stories with key publications.

**Councilor Cox** said she likes the Gloucester 2.0 website, but when she googles "Gloucester," Gloucester 2.0 comes out far down on the list of items on the city. She lauded the Gloucester 2.0 website saying it is fresh and colorful with good stories, and urged they work to bump that up. She also encouraged that a link be created between that website and the city's official website face page for easy access for those thinking about investing in the city. She noted she didn't know what Gloucester 2.0 means. **Mr. Daniel** agreed that rebranding the name so that people can connect with it better was a worthwhile suggestion to be considered. **Mr. DiStefano** added that the rebranding of Gloucester 2.0 to "Innovate Gloucester" will be unveiled with the big kickoff at the Seafood Exposition. This funding will place the city's public relations firm ready to move forward to drive up the traffic to the sources of information on the city and ultimately lead businesses to the city.

**Councilor Cox** asked about the status of Mazzetta Corporation who was developing a property in the Blackburn Industrial Park for a lobster processing business which had been touted to employ 200 people. **Mr. Daniel** explained the building is under construction and limited processing is set to begin next month with full operations anticipated to start in June or July. He said he would be visiting with Mazzetta officials to ask about that company's hiring process and when the city will see more hiring taking place. It was pointed out that the closing on the property was delayed which pushed the construction back and is why things have moved a bit more slowly.

**Councilor Cox** commented about the city's Facebook page which had only 531 likes to date. She asked if there could be more publicity to residents to highlight how much good information is available to them there. She suggested that a flyer could be inserted in the tax bills. **John Dunn**, CFO, said flyers can go in the quarterly sewer and water bills, and that he would work with the Councilor to get that done.

**Councilor McGeary** highlighted a document he submitted to the Committee (on file) entitled, "What Makes Working Cities Work?" from a seminar given by Barry Bluestone on January 22, 2015 at the Massachusetts Municipal Association meeting that took place in Boston which discusses two main questions: What factors are most important in promoting economic development, and do municipal leaders have any control over what really matters. He noted tax rates weren't a factor in business relocation but four other factors, three of which were: available development sites, site amenities, and economic development marketing. He said he heard Mr. Bluestone say that some public relations is important but mostly it is about identifying what sites are good for business and marketing directly one-on-one to businesses. While this may be the purview of the EDIC, he said, one of the key factors for businesses relocating was personal outreach. He said he had no issue with the \$24,000 but felt there is a piece missing.

**Mr. Daniel** said that sometimes it is a prospect that knocks on the city's door. He gave an example of outreach with businesses. He explained how he is nurturing a current relationship also. He noted that in the case of Mazzetta, he worked with the broker who listed the space at the Blackburn Industrial Park, and worked with Mazzetta executives, setting up a meeting with state and local officials about what could be brought to the table, learned what their needs were and answered their questions. He cited the example of the Innovation House which was a unique and unusual situation in that Jon von Tetzchner, co-founder of Opera Software, literally walked up to the counter at the City Hall Annex to make an inquiry. **Mr. Daniel** said they showed him dozen of buildings and then briefly mentioned the Inn at Magnolia could be available, and that was how the Innovation House came to be in Magnolia. It, too, was about building a relationship, he said. As to waterfront industries, Community Develop is looking at businesses that could make use of the port infrastructure and look at prospects that need to be on the water. The work is going on daily, he said, and highlighted that Mr. DiStefano is aggressively pursuing contacts and help to meet the prospects' needs and shepherd them through the process. He said it is also working with the businesses that are already here in the city so they can be more successful which an important part of their work. **Mr. DiStefano** said the Seafood Exposition is the biggest direct marketing effort to date that will put the city in front of 20,000 people and companies from many foreign countries. It is hoped that the city will end up with companies relocating here through this single three-day event, and while it may not show immediate results, it will be worked on to bring businesses in. The only other state municipality participating in the Seafood Exposition is the City of Boston through its Redevelopment Authority, he said.

**Councilor McGeary** asked if Community Development is establishing relationships with the Gloucester Harbor Community Development Corporation (CDC). **Mr. DiStefano** said they had. There is a group of businesses joining together as an industrial park association. He said there will be an upcoming strategy session on industrial energy reduction, and that they will work with the CDC on the Seafood Exposition.

**Councilor McGeary** asked about the "Blue Economy" (a term referring to the book, "The Blue Economy 10 years - 100 innovations - 100 million jobs") and asked about actively soliciting businesses that may be associated with it. **Mr. Daniel** said it was not a useful tool to find a good fit for the city. The process of finding a good business fit for I4-C2 with the assistance of the Gulf of Maine Institute which identified prospects that are being worked on. **Mr. DiStefano** added that he is looking into a company that provides an on-line tool to help find possible real estate through expiring property leases for businesses to consider in their search for the best site if a property purchase is not how they wish to take their first step. For the Seafood Exposition they can do select VIP invites and is being researched. With the Innovate Gloucester effort, there would be a dedicated telephone number and email address where businesses can call for assistance which could be done easily and be built into the marketing effort for the city. **Councilor McGeary** and **Mr. Daniel** discussed the total public relations budget which was initially funded with \$50,000 from free cash and ran May through December. This \$24,000 covers six months.

**Councilor McGeary** noted the fourth item Mr. Bluestone said that makes a company relocate is a predictable permitting process and asked what the city is doing to ease this process for new businesses. **Mr. Daniel** said there is not a working group yet although it has been talked about. **Mr. DiStefano** said if there was a retention situation or a

new business coming into the city, the Administration and Community Development would be dedicated to work with the Council to move a permitting process forward as quickly as possible. He suggested a team effort to move permitting through ensuring no deadlines are missed, making companies aware of those deadlines and give it a “white glove” approach. **Councilor McGeary** said while that may be the better approach, a rethinking of the city’s permitting process and the zoning ordinances is a long-term task, but until then, this is a worthwhile way to handle things until the revamping on those two fronts take place. **Mr. DiStefano**, using an example of a large West Coast city that revamped their zoning ordinances as the Councilor was suggesting, that the return was enormous. He said that he would like to look into what was done to see what might translate for Gloucester. **Mr. Daniel** added that the attitude of the Community Development staff is helping, facilitating, and getting businesses through the permitting processes. He said they hold a meeting with the applicant to put all the appropriate staff in front of them and address issues to assist the applicant through the permitting process. Predictability is important as is the attitude and approach of the staff to assist the applicant, he said.

**Mr. Dunn** informed the Committee that there is some information coming forward in the next Mayor’s report that the city is in the process of the installation of a software tool that will assist the administration of the permitting process to make sure city departments are on board whether it is for a manufacturing facility or a roof replacement. Funds for this software tool was approved in the IT budget last spring, he pointed out, and this software will give an opportunity to show how the city processes permitting administratively which in turn will help the city to come up with policies to move things along more quickly.

**Councilor McGeary** expressed his pleasure that the Administration has found a place for Mr. DiStefano’s abilities and skills in economic development in order to address the one-on-one business development on behalf of the city.

**Councilor Fonvielle** commented on the Bluestone report, the issue of corollaries, and also cautioned not putting too much stock in the numbers touted in it. He also said that he had been dissatisfied with the process of the first allocation of free cash to the public relations project but added that he a big believer in PR. He said some of his dissatisfaction stemmed from it being a joint marketing project with the EDIC and Community Development as co-managers. He also pointed out that a prime objective should be dramatically updating the EDIC website which is a work in progress, he said, and is expected to happen soon in order to make it a more appropriate working tool for prospective businesses looking to invest in the city. He said part of a PR campaign should drive people to a world-class EDIC website as well as the city’s own, germane to attracting investment in the city. He said he still endorsed a good PR campaign for the city to keep the pressure on the marketplace as part of the strategy, but that there is other pieces that have to be attended to.

**Councilor Fonvielle moved and Councilor McGeary seconded the transfer of funds associated with 2015-SA-13.**

**Mr. Costa** and the Committee then discussed that the account which would receive the \$24,000 in free cash was named “EDIC-Economic Development-Transfer from General Fund,” which the Committee said it found misleading. While the previous PR efforts had been touted as a partnership with the EDIC, and the account purchase orders are created through Community Development solely through the Community Development Department and should be completely controlled by it, it was pointed out. **Mr. Costa** noted the account and its name had been in place for some time and was controlled through Community Development who opens the Purchase Orders and disburses the funds. **Mr. Daniel** said the account indicates a partnership quality and that the EDIC is involved in initiatives and collaborations, but he assured that the EDIC is not involved with the funding.

**Councilor Cox** asked that the name be changed to make it more specific to Community Development so that it was clearly understood where the money goes and who controls it. The Committee agreed with Mr. Costa’s suggestion that the funds would go more appropriately to the Community Development, Contracted Services account.

**A motion was made, seconded and voted unanimously by the B&F Committee to amend the main motion to replace “EDIC-Economic Development-Transfer from General Fund,” with, “Community Development, Contracted Services.”**

**MOTION: On a motion by Councilor Fonvielle, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2015-SA-13 in the amount of \$24,000 (Twenty Four Thousand Dollars) from the General Fund-Undesignated Fund Balance (“Free Cash”), Account #101000.10.000.35900.0000.00.000.00.000 to Community Development, Contracted Services, Account # 101000.10.181.52000.0000.00.000.00.052, Community Development, Contracted Services for the purpose of funding continued Public Relations/Marketing support for economic development, job creation and attracting investment to the City.**

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

**Mr. Costa** reviewed his documentation (on file) with the Committee. Additionally, he also advised the Committee that due to the recent unprecedented snowfall over two snow events in one week, the city was spending funds for snow and ice removal at a pace that is set to outstrip the increase of the emergency expenditure voted by the Council in October 2014. He recommended increasing the emergency expenditure by \$1,350,000 bringing the new total to \$2,000,000. With at least three more predicted snow events on the way in the next seven days, he recommended the increase of the emergency expenditure as appropriate at this time. He explained to the Committee the method by which his office is processing the bills from contractors. He pointed out that Snow and Ice represents the expenditure side of the ledger. He said that with a spending limit of \$1.1 million, the city will bump up against that ceiling shortly. He reminded the Committee that extending the emergency expenditure for Snow and Ice removal is consistent with Council action in previous years. This is not funding, he explained, just increasing the credit line. (Note: A municipality's Snow and Ice budget is the only line item the Department of Revenue allows a city or town to be deficit spent.)

**Mr. Destino** added that a MEMA reimbursement application has been filed for the first storm for a total of \$430,000 in disaster aid. That total amount folded in some of the expense of the second storm that followed quickly on the heels of winter storm "Juno." He said it is hoped that the window will be expanded by the state to include the quick storm which followed Juno and was why the city included expenses from it in the MEMA disaster aid application.

**MOTION: On a motion by Councilor McGeary, seconded by Councilor Fonvielle, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council accept the provisions of MGL c. 44, §31D Snow and Ice Removal, Emergency Expenditures not to exceed \$2,000,000. The increase of emergency expenditure authority is \$1,350,000 added to the current FY2015 DPW Snow and Ice Removal appropriation budget of \$650,000.**

**A motion was made, seconded and voted unanimously to adjourn the meeting at 5:34 p.m.**

**Respectfully submitted,**

**Dana C. Jorgensson  
Clerk of Committees**

**DOCUMENTS/ITEMS SUBMITTED AT MEETING: None.**