

Budget & Finance Committee
February 19, 2015 – 5:00 p.m.
1st Fl. Council Committee Room – City Hall
-Minutes-

Present: Chair, Councilor Melissa Cox; Vice Chair, Councilor William Fonvielle; Councilor Paul Lundberg (Alternate)

Absent: Councilor McGeary

Also Present: Jim Destino; Kenny Costa; John Dunn; Mike Hale; Fire Chief Eric Smith; Assistant Police Chief John McCarthy; Harbormaster Jim Caulkett

I. Fire Department:

A) Special Budgetary Transfer Request 2015-SBT-31 from Fire Department

Fire Chief Eric Smith conveyed the following information: the transfer for \$5,000 is coming out of the department's maintenance account into the Capital account so that the Fire Department can take advantage of an opportunity to purchase a good used pumper vehicle. This vehicle will give the city six pumpers -- four front-line units and two reserve units. Reserve units are used when front line units are out of service. This will also help the department in that they won't have to continually reach out to other communities to borrow vehicles when a front-line unit goes down as they have had to do in recent months from as far away as Boston and Lawrence. It is still to be determined where the pumper will be stationed -- whether it will be in the city or in adjacent community fire departments who this department works cooperatively, he couldn't confirm yet.

Responding to inquiries by **Councilor Cox**, **Chief Smith** said given that reserve apparatuses are essential as the department's fleet ages, a place will be found. He pointed out that a new pumper kitted out to current specifications and standards cost upwards of \$700,000. This pumper is from the late 1980's never been used in front-line service by the department it is coming from and has had very little use, excellent maintenance and mileage. The Gloucester Fire Department's master mechanic and their lead assistant mechanic did examine the unit and thought it was an excellent opportunity to add a good truck to the fleet. He conveyed that both mechanics felt strongly about the need to add this pumper to the department's fleet.

Chief Smith also noted that in working cooperatively with Manchester-by-the-Sea who uses space at the Magnolia Station for their radio repeater, and on other inter-departmental matters, the department has received from them a used radio to be installed in the reserve unit helping to offset the cost to kit out the pumper. Other equipment on hand in the department, he said, would be adequate because this is to be a second-line unit. He suggested it would be a couple of thousand dollars more to put the pumper into the fleet. Any department vehicle that is decommissioned has its equipment moved over to whatever truck needs it at that time, he said.

Councilor Fonvielle pointed out the unit would also have the expense of being detailed. **Chief Smith** said that is simple to take care of and is done locally. He noted the reserve price for the pumper was about \$7,000 when it was available for auction but for some reason it never made the minimum bid. He noted the pumper is coming from another Massachusetts fire department.

MOTION: On motion by Councilor Fonvielle, seconded by Councilor Lundberg, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Special Budgetary Transfer 2015-SBT-31 in the amount of \$5,000 from Account #101000.10.220.52470.0000.00.000.00.052, Fire Department, Vehicle Maintenance to Account #101000.10.220.58720.0000.00.000.00.058 Fire Department, Replace Automobiles, for the purpose of funding the purchase of a used Fire Pumper vehicle.

B) Memorandum from CFO & Special Budgetary Transfer Request (2015-SBT-34) for Fire Department

Chief Smith explained that this transfer came forward at the behest of the Chief Financial Officer, and as previously discussed with the Committee at their February 5 meeting (on file), the Fire Department's overtime account has been depleted due to the need for unanticipated shift coverage for absences resulting from injuries on duty to eight fire personnel, retirements and the recent death of Firefighter Bouchie. In order to replenish the overtime account, he proposed to transfer the \$86,338.76 because of an available balance in the Regular Pension account to Fire Overtime. The balance is available due to the department prepaying the entire Pension Assessment in August 2014 and realized an interest savings. Noting that personnel lost by attrition is leaving holes in the

firefighting groups, with another to occur in April, he said it is hoped the department will add new recruits trained and ready to take their place before the summer starts when vacations start.

Councilor Cox asked how far this funding would take the department's overtime budget into FY15, along with the Free Cash previously moved to the department's overtime account. **Chief Smith** said dependent upon new hires and the pay outs to retiring firefighters, and leave time to those firefighters who have passed away, he expects this will about complete what the department needs for overtime. Much will depend on when the firefighters out on leave return to full-time status. If leaves are extended the department risks reverting to the same situation of being short staffed, he pointed out.

Councilor Cox and **Chief Smith** briefly discussed the lag funding from Firefighter Bouchie's passing and any payouts made and that some of the salary would be able to be used towards offsetting a new firefighter's salary.

Councilor Cox asked if the Committee should all be done all to the overtime account or to the salary account for backfilling firefighter positions. **Chief Smith** and **John Dunn**, CFO confirmed said they can transfer this money within any of the salary categories of the department internally so that putting it all into the overtime account doesn't inhibit their ability to move funds to cover backfilling positions.

MOTION: On motion by Councilor Lundberg, seconded by Councilor Fonvielle, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Special Budgetary Transfer 2015-SBT-34 in the amount of \$86,338.76 from Account #101000.10.911.51860.0000.00.000.00.051, Pensions, Regular Pensions, to Account #101000.10.220.51300.0000.00.000.00.051 Fire Department, Salary/Wage, Overtime, for the purpose of funding the Fire Department Overtime account to cover fire station openings due to injured-on duty firefighters.

C) Memorandum and relevant information from Fire Chief re: acceptance of a FY15 Student Awareness of Fire Education (S.A.F.E.) for \$5,023 and Senior SAFE Grant in the amount of \$2,995

Chief Smith reviewed the following: that the successful fire training program in its second year from the Department of Fire Service his department has run the SAFE grant program which educates students on fire safety, and that more of the same is planned for the coming year, along with a new program aimed at educating the city's senior population for fire prevention, general home safety and to be better prepared in the event of a fire. Fire Lieutenant Dominic Barbagallo instituted the original program with all the city's schools and will now run both programs, he said. It was he who put in the budgets for both grants, and there is always a need for additional training. It will end up for Grades, K-12 as the program expands but currently it concentrates on Grades 4-6.

Councilor Cox expressed her appreciation of the department pursuing these kinds of grants. **Chief Smith** added that it this program goes out to all the schools, public and private, in response to an inquiry from **Councilor Fonvielle**. He said it is intended that the Senior S.A.F.E. they would work closely with the Senior Center Director to move the Senior S.A.F.E forward and also with city housing units. He also spoke to the Councilor about the first-year funding for training only and that in the second year it was when the program in the schools was rolled out.

MOTION: On motion by Councilor Fonvielle, seconded by Councilor Lundberg, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council accept under MGL c. 44, §53A, a FY2015 School-based Student Awareness of Fire Education (S.A.F.E.) grant from the Mass. Department of Fire Services in the amount of \$5,023 for the purpose of providing fire and life safety education to school-aged children.

MOTION: On motion by Councilor Lundberg, seconded by Councilor Fonvielle, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council accept under MGL c. 44, §53A, a FY2015 Senior Awareness of Fire Education (S.A.F.E.) grant from the Mass. Department of Fire Services in the amount of \$2,995 for the purpose of providing fire and life safety education to seniors.

2. Police Department:

A) Special Budgetary Transfer Request 2015-SBT-32 from Police Department

Assistant Police Chief John McCarthy explained that funds are available for this transfer from Police Uniform, Specialty Positions, Stipend because two officers elected to take compensatory time rather than the stipend. Responding to direct questions of the Committee, he said that these funds will be used to purchase four portable Kenwood radios for the department's five new recruits with the fifth radio previously funded. These new

recruits are filling positions through retirements. Three more are starting the Police Academy shortly, he noted. When policemen retire, they keep their radios as they become reserve officers and work road details.

MOTION: On motion by Councilor Fonvielle, seconded by Councilor Lundberg, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Special Budgetary Transfer 2015-SBT-32 in the amount of \$3,500 from Account #101000.10.211.51490.0000.00.000.00.051, Police-Uniform, Specialty Positions Stipend, to Account #101000.10.211.55010.0000.00.000.00.052, Police-Uniform, Safety Supplies/Equipment for the purpose of purchasing portable radios for the Police Department.

B) Special Budgetary Transfer Request 2015-SBT-33 from Police Department

Assistant Chief McCarthy explained that funds are available for this transfer from Salary/Wage-Longevity because a police officer passed away in October 2014, and so the longevity account has a pro-rated surplus remaining. These funds will complete the funding to purchase four portable Kenwood radios for the department's new recruits. The radios cost around \$1,100, he said. The \$3,500 wasn't enough funding, he pointed out.

MOTION: On motion by Councilor Lundberg, seconded by Councilor Fonvielle, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Special Budgetary Transfer 2015-SBT-33 in the amount of \$1,658.40 from Account #101000.10.211.51400.0000.00.000.00.051, Police-Uniform, Salary-Wage-Longevity, to Account #101000.10.211.55010.0000.00.000.00.052, Police-Uniform, Safety Supplies/Equipment for the purpose of purchasing portable radios for the Police Department.

3. *Legal Department:*

A) Memorandum from CFO & Special Budgetary Transfer Request (2015-SBT-35) for Legal Department

Jim Destino, CAO, explained to the Committee that the Legal Department's Salary/Wage line for permanent positions has been depleted due to the payment of accrued time due to the departure of Suzanne Egan, former General Counsel. In order to replenish this account, he proposed to transfer \$7,000 of the available balance in the Legal Consultations account to the Salary/Wage account. This transfer, he said, would provide sufficient coverage for the salary to be paid to the new General Counsel, Chip Payson, for the balance of the fiscal year.

MOTION: On motion by Councilor Fonvielle, seconded by Councilor Lundberg, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Special Budgetary Transfer 2015-SBT-35 in the amount of \$7,000.00 from Account #101000.10.151.53140.0000.00.000.00.052, City Legal Department, Legal Consultations to Account #101000.10.151.51100.0000.00.000.00.051, City Legal Department, Salary/Wages-Permanent Position for the purpose of providing a sufficient budgetary balance for the City Solicitor position for the remainder of Fiscal Year 2015.

4. *Harbormaster:*

A) Memorandum from Harbormaster and Supplemental Appropriation Request 2015-SA-19

Harbormaster Jim Caulkett said that the Waterways Board has voted and supports as did he, to make funds available in order to have a Harbormaster Department Management Review is undertaken as provided for in the Board's Policies, Rules and Regulations. The main reasons listed by CLE Consultants (on file) are:

- To identify any areas which hinder or prevent the department from performing its assigned responsibilities, goals or objectives and offer suggestions for the removal of such obstacles and to suggest ways in which responsibilities, goals or objectives might be better met;
- Evaluate the adequacy of management practices being utilized in the Department with respect of fiscal controls and use of available personnel and equipment, and;
- Suggest specific ways and means by which the functions and services of the department might be improved.

Harbormaster Caulkett said he welcomed the review in that it would provide a way to see if they are using best management practices and where the department can make improvements on a variety of fronts. **Councilor Cox** expressed her agreement saying this is good checks and balances on procedure and briefly discussed with the

Harbormaster that the review would cover the all financial practices of the department, such as launch drivers making money transactions for carrying passengers, mooring fees, etc.

Councilor Fonvielle asked if it had been done before. Harbormaster Caulkett said it had not, and the Charter identifies this as something to be done and it was timely.

Councilor Cox inquired of the City Auditor, Kenny Costa, whether this would be forwarded to the outside auditor. Mr. Costa confirmed it would and would look at the financial practices of the department, and noted this review would include the finances of the Harbormaster's Department.

Councilor Lundberg said he was impressed with CLE Consulting's proposal to undertake the review and commended the Harbormaster and the Waterways Board for initiating the review. **Harbormaster Caulkett** noted CLE has worked with his department before and knows the city well. The study will be started as soon as funds are allocated and a contract is signed. He assured **Councilor Cox** this review will be carry through to the operational months of the department to give a complete picture of the department.

Councilor Fonvielle confirmed with **Harbormaster Caulkett** that a copy of the end report would go to the Council. Councilor Lundberg said that the Council's representative to the Waterways Board could possibly present the report to the Council. **Councilor Cox** suggested that Councilors could go to the Waterways Board meeting when the final report is presented, and asked that the Harbormaster let the Clerk of Committees know when the Management Review Final Report will be presented at the Waterway Board so the Council may be advised.

MOTION: On a motion by Councilor Lundberg, seconded by Councilor Fonvielle, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2015-SA-19 in the amount of \$35,000 (Thirty Five Thousand Dollars) from the Waterways Enterprise, Retained Earnings ("Free Cash"), Account #700000.10.000.35900.0000.00.000.00.000 to Waterways Enterprise, Contractual Services, Account # 700000.10.492.52000.0000.00.000.00.052 for the purpose of completing a Harbormaster's Department Management Review.

B) Memorandum, relevant information, two grant applications and checklists from Harbormaster re: Boating Infrastructure Grant (BIG) Program for \$263,930 and the Mass. Clean Vessel Act Pumpout program for \$90,000

Mr. Caulkett explained that this grant through the Mass. Division of Marine Fisheries is the Boating Infrastructure Grant (BIG) Program for the purpose of funding a new float system at Solomon Jacobs Park to be installed upon the completion of the National Grid Remediation project which is anticipated to take three years. The approximate grant amount anticipated is \$263,930. The existing float system will be removed during the remediation of the water sheet, and when the Waterways Board regains control of the water sheet, the new float system will be used as part of the Transient Boater Initiative in order to make Gloucester a more accessible port for recreational boaters while seeking to protect with several short-term tie up slots for boats and four times as many dinghy dock spaces. The public landing will increase and be ADA compliant. The BIG grant is a federally funded project for boats 26 feet or greater. With the assistance of Stephanie Cunningham of the state's Department of Marine Fisheries, they put the grant package together.

He noted page 7 of the grant proposal (on file) responding to direct Committee questions that: The funds the Waterways Board has already spent on engineering design plans, that National Grid is paying for the new pilings to hold this float in place which is considered a match. There will not be a need to utilize the entire \$200,000 the Council provided the Board with for the floats; therefore there are no additional city's General Fund, he said, but from the Waterways Enterprise account. If this grant proposal is approved, the Board can receive upwards of \$263,000 grant. That will purchase most of the float system, adding approximately 75 feet of transient dock space which is allowable under the Designated Port Area (DPA) in working with Coastal Zone Management (CZM) and the Department of Environmental Protection (DEP). It is important to note that they are not creating a "recreational" boating area. Slips that are on the Maritime Gloucester side because they're all enforcement boats, none of the grant can be applied to that area at all. It is being pieced together as public access which includes the Americans with the new Disabilities Act gangways, the dinghy dock, and the 75 feet for transient boaters, all qualify. This transient space will be determined by the Board as to the length of tie-up but several hours will be more than what they have now. They have three years to go through this process to be ready to move on the projects as that is as long as the National Grid remediation project will take.

Councilor Lundberg commented in terms of accessibility from the sea side for transient boaters are greatly needed and this grant project would assist in filling it. Councilor Cox said this will assist in encouraging boaters to stop and explore the downtown.

Hilary Frye, 27 Beacon Street, said she understood transient facilities are very attractive but wished to discuss how year round residents can have greater public access to the city's waterfront and mentioned the negotiations between the city and National Grid which included for the Solomon Jacobs Pier, Park and Harbormaster's Building. **Councilor Cox** suggested Ms. Frye please address her remarks to the Waterways Board as that is not before the Council at this time, as well as how the funds, if awarded, would be used and that any other aspect of Ms. Frye's remarks related to public access should be forwarded to the Mayor's office where it relates to the lease of Solomon Jacobs Pier, Park and Harbormaster's building, reiterating that both remarks were unrelated to the Budget & Finance agenda item up for discussion and that the Committee is limited to that matter which is before them.

Marcia Hart, 2 Freemont Street, expressed her concern that there was a picture depicting the David Black sculpture which the sculptor proposes to donate to the city which she found in the B&F Committee's agenda packet. **Harbormaster Caulkett** said that was a photograph provided by the city's engineering firm and was erroneously placed in the documentation. It had been part of the presentation to the Waterways Board. **Ms. Hart** further expressed a concern that she had been unable to get a satisfactory explanation from various city staff regarding the photograph which she was able to print out from the city's website. **Mr. Destino** offered to Ms. Hart and Ms. Frye's concerns with him in another venue, and they stepped away from the meeting at that time.

MOTION: On a motion by Councilor Fonvielle, seconded by Councilor Lundberg, the Budget & Finance Committee voted 3 in favor, opposed, to recommend that the City Council permit the Harbormaster's Department to apply for a Boating Infrastructure Grant (BIG) Program through the Mass. Division of Marine Fisheries for a new float system at Solomon Jacobs Park to be installed upon the completion of the National Grid Remediation project. The approximate federal grant amount anticipated is \$263,930.

Mr. Caulkett said that the second grant being applied for before the Committee is related to the previous grant application in that it is grant funds being sought for a total of \$90,000 (based on an engineering estimate) for the purpose of having an 8 foot by 40 foot float with fitted with a shore side pumpout station for boaters to pull alongside to use. The pumpout station is to be connected directly to city sewer, he noted. This funding is also from the Mass. Division of Marine Fisheries, through their Clean Vessel Act Program from which the city receives funds annually for the pumpout boat operated by his department. This addition to the recreational transient boater floats, he said, would enhance the city's welcome to visitors who come by water.

Councilor Cox asked if the volume being pumped from transient vessels would affect the city's sewer system's capacity. **Mike Hale**, DPW Director, indicated it wouldn't. Responding to Councilor Lundberg's question if there was a charge for the pumpout service, **Harbormaster Caulkett** said the department is not allowed to charge for the service, and is part of the parameters of the Clean Water Act funding.

Councilor Cox questioned whether this funding would pay for the pumpout dock attendant. Harbormaster Caulkett said this grant can only be used to pay for the physical shore side pump system and float. Neither grant can be used to pay for an attendant for the new float systems.

Councilor Fonvielle asked about the maintenance of the pump. **Harbormaster Caulkett** said he should be able to raise the "ask" from the state for maintenance and salary for the annual pumpout grant which the state will recognize.

It was noted by **Kenny Costa**, City Auditor, that this grant is under the \$100,000 match level and that the Committee didn't need to vote on this matter by ordinance if it wished, but the Committee determined since it was before them they would act on it.

MOTION: On a motion by Councilor Lundberg, seconded by Councilor Fonvielle, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council permit the Harbormaster's Department to apply for a federal grant of \$90,000 Massachusetts Clean Vessel Act Pumpout Grant through the Mass. Division of Marine Fisheries in order to construct a 8 foot by 40 foot float with shore side pumpout station for boaters to pull alongside to use at Solomon Jacobs Park to be installed upon the completion of the National Grid Remediation project.

Mr. Caulkett said that the second grant is related in that it is grant funds being sought for a total of \$90,000 for the purpose of having an 8 foot by 40 foot float with shore side pumpout station for boaters to pull alongside to use. The pumpout station is connected to city sewer, he noted. This funding is also from the Mass. Division of Marine Fisheries, through their Clean Vessel Act Program. This addition to the recreational transient boater floats would enhance the city's welcome to visitors who come by water.

MOTION: On a motion by Councilor Lundberg, seconded by Councilor Fonvielle, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council permit the Harbormaster's Department to apply for a federal grant of \$90,000 Massachusetts Clean Vessel Act Pumpout Grant through the Mass. Division of Marine Fisheries in order to construct a 8 foot by 40 foot float with shore side pumpout station for boaters to pull alongside to use at Solomon Jacobs Park to be installed upon the completion of the National Grid Remediation project.

C) Memorandum from Harbormaster re: request to increase the Transient Mooring Fee pursuant to GCO Chapter 10, Sec. 10-51(3)

Harbormaster Caulkett reviewed with the Committee that the last time the transient mooring fee was increased was in 2002, moving from \$20.00 per night to \$25.00 per night by a vote of the City Council in April 2002. He referenced an email on file submitted to the Committee which outlined what local surrounding communities currently charge and what they would charge for that service and if they had a launch service included. He noted the Town of Rockport doesn't have dedicated transient moorings like Gloucester. In the Waterways Board Public Facilities subcommittee, it had been conveyed that in the Nantucket/Martha's Vineyard area fees are \$50 to \$100 a night because of the services provided in association with the transient mooring. The request, he noted, is not only based on what local communities do, but is also based on the cost of maintaining and installing annually of the transient moorings that has increased substantially since 2002.

Councilor Cox suggested this is the transient mooring fee should be reassessed every five years by the Board. She asked if anything was included for the \$35 fee. **Harbormaster Caulkett** said if they added the launch service to the fee it would raise it much higher.

Councilor Fonvielle reconfirmed these fees are for those boats who moor overnight with the Harbormaster.

MOTION: On a motion by Councilor Fonvielle, seconded by Councilor Lundberg, the Budget & Finance Committee voted 3 in favor, opposed, to recommend that the City Council Amend GCO Chapter 10 Waterways, Sec. 10-51 Regulations of Moorings, Subsection (e) Fees, by DELETING, "A daily fee of \$25.00 shall be charged....," and by ADDING, "A daily fee of \$35.00 shall be charged...."

This matter will be advertised for public hearing.

4. Department of Public Works:

A) Memorandum from Assistant Director of Public Works requesting permission to pay expenses incurred without a Purchase Order in place

Mr. Hale explained that this matter was before the Committee of expenses incurred without a Purchase Order in place because of a miscommunication between Larry Durkin, the DPW's Environmental Engineer, and the DPW bookkeeper. The paperwork was submitted, and the fee was paid on time by Mr. Durkin, but he didn't realize he needed to open a separate Purchase Order for his expenses in order to attend the New England Water Works Association Annual Conference from 9/21/14 through 9/23/14. He noted that Mr. Durkin is a member of this Association and a past officer. The Committee paid note to the fact that the DPW has not been before the Committee in some time for a problem of such a nature.

MOTION: On motion by Councilor Lundberg, seconded by Councilor Fonvielle, the Budget & Finance Committee voted 3 in favor, opposed to recommend to the City Council to reimburse Lawrence Durkin, DPW for travel and hotel expenses related to the New England Water Works Association Annual Conference from 9/21/14 through 9/23/14, for \$912.96 to be paid from the FY15 Water Enterprise Department budget without a Purchase Order in place.

B) Memorandum from Director of Public Works and two Loan Authorization requests for CSO & Water related capital projects in the amounts of \$3,300,000 and \$700,000

Mr. Hale then reviewed that the DPW is requesting two loan orders totaling \$3,823,018 for capital Combined Sewer Outflow (CSO) and water projects for the spring of 2015. He said at this time the city is virtually done with the CSO Consent Order but some work remains to be done. These funds will be used for (per memo on file):

- **Upper CSO-006 area:** Work includes installation of a new drain to separate out the remaining combined sewer area (CSO-006) in the vicinity of Webster, Fair, Friend, Elwell and Taylor Streets. The separation project was identified in Supplemental Combined Sewer Overflow Long-Term Control Plan, September 2011 which was approved by the Department of Environmental Protection/EPA and included into the 2012 MCD modification.
- **Hartz Street neighborhood:** Work completed and/or under contract to date includes sewer spot repairs, sewer manhole and pipe rehabilitation on Hartz Street, Williams Court and Marion Way. Work required as part of the MCD projects is to remove inflow and infiltration from deficient sewer system located adjacent to tidal flats, as identified in the Outfall 009 Overflow Abatement Plan (in support of the 2011 SCSOLTCP). As part of the construction project in the neighborhood, water main replacement is to be included on Williams Court, Marion Way and a portion of Hartz Street to take advantage of efficiencies before restoration work. Current water configuration in the neighborhood includes dead ends at the end of Hartz Street, Wise Place and Elizabeth Road. Work is to include installation of 8-inch water main and new valves and hydrants to connect the water main on Bass Avenue to dead ends on Hartz Street, Wise Place and Elizabeth Road. Work will also include securing easements and installation of water main through resource area adjacent to stone culvert (plan on file).
- **Smith Cove/Rocky Neck Interceptor Sewer:** Work completed to date includes sewer spot repairs, sewer manhole and pipe rehabilitation in the Rocky Neck neighborhood and East Main Street. The work is required as part of the MCD projects to remove inflow and infiltration from a deficient sewer system located adjacent to tidal flats, as identified in the Outfall 000 Overflow abatement plan (in support of the 2011 SCSOLTCP). Work is to include installation of 1,500 linear feet of cured-in-place lining in 14-inch pipe crossing Smith Cove, as well as lining additional pipes in Sayward Street and Pirates Lane.

After a brief discussion between the Committee and Mr. Hale about the particulars of the three areas to be addressed by the loans to be approved before them, **Mr. Destino** and **Mr. Dunn** also in response to direct Committee questions clarified that:

The \$3.3 million of CSO work falls under the Council's 2010 vote to transfer all CSO debt to a shift. That would be added to the city's tax levy when that specific debt goes long term, and that will take at least several years before it would affect the city's tax levy. The borrowing will be done at the appropriate time and likely not for the whole amount, and because it is a Bond Anticipation Note (BAN), interest rates are 0.25 percent so the effect will be minor until the loans are converted to "permanent" debt. Should that be two years from today's date, it was explained it would mean the payments wouldn't hit until the third fiscal year out from today.

The \$700,000 of the water debt will stay on the water rate unless the Council votes otherwise, taking a specific vote to shift it.

There was a brief discussion between the Committee and city staff present on when these loan authorization public hearings would come before the Council.

MOTION: On a motion by Councilor Fonvielle, seconded by Councilor Lundberg, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council authorize the following loan order:

ORDERED: That up to Three Million Three Hundred Thousand Dollars (\$3,300,000) be appropriated for the purpose of funding additional sewer work in the Upper CSO-006 Area and in Smith Cove /Rocky Neck including without limitation all costs thereof as defined in Section 1 of Chapter 29C of the General Laws; that to meet this appropriation the Treasurer, with the approval of the Mayor, is authorized to borrow Three Million Three Hundred Thousand Dollars (\$3,300,000) and to issue bonds or notes thereof under Chapter 44 of the General Laws and/or Chapter 29C of the General Laws or any other enabling authority; that such bonds or notes will be general obligations of the City unless the Treasurer, with the approval of the Mayor, determines that they should be issued as limited obligations and may be secured by local system revenues as defined in Section 1 of Chapter 29C; that the Treasurer, with the approval of the Mayor, is authorized to borrow all or a portion of such amount from the Massachusetts Clean Water Trust ("Trust") established pursuant to Chapter 29C and in connection therewith to enter into a financing agreement and/or security agreement with the Trust and otherwise to contract with the Trust and the Department of Environmental Protection with respect to such loans and for any federal and state aid available for the project or the financing thereof; and that the Mayor is authorized to enter into a project regulatory agreement with

the Department of Environmental Protection, to expend all funds available for the project; and to take, with the approval of the City Council, any other action necessary to carry out the project.

FURTHER ORDERED: That the Treasurer is authorized to file an application with the Municipal Finance Oversight Board to qualify under Chapter 44A of the General Laws any or all of the bonds authorized by this order and to provide such information and execute such documents as the Municipal Finance Oversight Board may require for these purposes.

MOTION: On a motion by Councilor Lundberg, seconded by Councilor Fonvielle, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council authorize the following loan order:

ORDERED: That up to Seven Hundred Thousand Dollars (\$700,000) be appropriated for the purpose of making improvements to the City's Public Water System in the Hartz Street area including without limitation all costs thereof as defined in Section 1 of Chapter 29C of the General Laws; that to meet this appropriation the Treasurer, with the approval of the Mayor, is authorized to borrow Seven Hundred Thousand Dollars (\$700,000) and to issue bonds or notes thereof under Chapter 44 of the General Laws and/or Chapter 29C of the General Laws or any other enabling authority; that such bonds or notes will be general obligations of the City unless the Treasurer, with the approval of the Mayor, determines that they should be issued as limited obligations and may be secured by local system revenues as defined in Section 1 of Chapter 29C; that the Treasurer, with the approval of the Mayor, is authorized to borrow all or a portion of such amount from the Massachusetts Clean Water Trust ("Trust") established pursuant to Chapter 29C and in connection therewith to enter into a financing agreement and/or security agreement with the Trust and otherwise to contract with the Trust and the Department of Environmental Protection with respect to such loan and for any federal and state aid available for the project or the financing thereof; and that the Mayor is authorized to enter into a project regulatory agreement with the Department of Environmental Protection, to expend all funds available for the project; and to take, with the approval of the City Council, any other action necessary to carry out the project.

FURTHER ORDERED: That the Treasurer is authorized to file an application with the Municipal Finance Oversight Board to qualify under Chapter 44A of the General Laws any or all of the bonds authorized by this order and to provide such information and execute such documents as the Municipal Finance Oversight Board may require for these purposes.

These matters are advertised for public hearing.

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

Mr. Costa reviewed his documentation with the Committee.

There was a discussion by the Committee and the City Auditor about the B&F Unanimous Consent Agenda (UCA). **Councilor Cox** said she is exploring the overall practice and would move forward to obtain a legal opinion from General Counsel and then make a determination on the practice. For the time being she would not be forwarding a UCA to the Council for its consideration and vote, rather, she would take each motion individually during Committee Report for the time being.

A motion was made, seconded and voted unanimously to adjourn the meeting at 6:35 p.m.

Respectfully submitted,

Dana C. Jorgensson
Clerk of Committees

DOCUMENTS/ITEMS SUBMITTED AT MEETING: None.