

SPECIAL GLOUCESTER CITY COUNCIL MEETING

Tuesday, May 5, 2015 – 7:00 p.m.

Kyrouz Auditorium – City Hall

-MINUTES-

Present: Chair, Councilor Paul McGeary; Vice Chair, Councilor Robert Whynott; Councilor Melissa Cox; Councilor Joseph Ciolino; Councilor Steve LeBlanc, Jr.; Councilor Greg Verga; Councilor Robert Whynott; Councilor Paul Lundberg; Councilor William Fonvielle

Absent: None.

Also Present: Mayor Sefatia Theken; Linda T. Lowe; Jim Destino; Kenny Costa; John Dunn; Jonathan Pope; Fire Chief Eric Smith; James Pope

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

Flag Salute & Moment of Silence.

Oral Communications: None.

Presentation: Mayor Sefatia Theken – Presentation of Mayor’s Proposed FY16 Budget

Mayor Sefatia Theken informed the City Council that the Fiscal Year 2016 Budget had been officially transmitted to the City Clerk’s office earlier in the day and pointed out her budget transmittal memorandum (on file) for the fiscal year beginning July 1, 2015, and ending June 30, 2016. She thanked the efforts of city staff for their assistance in the development of the FY16 budget: Jim Destino, Chief Administrative Officer; John Dunn, Chief Financial Officer; Kenny Costa, City Auditor; Chris Pantano, Executive Assistant to the Mayor; and Grace Macan, Fiscal Analyst.

Budget Transmittal Memorandum Review:

The Mayor read from her FY2016 Budget Transmittal Memorandum as follows:

“I am pleased to present to the City Council the annual budget for the City of Gloucester for Fiscal Year 2016. This plan reflects our commitment to provide quality and essential services to all Gloucester residents. It also allows the city to begin the process of addressing the significant fiscal challenges that our team inherited this year when we took office.

The budget is progressive and practical. It addresses some of the major fiscal issues that confront our community and it provides the necessary resources to continue to improve our schools, to boost our visitor economy and to create economic development opportunities for our hard-working residents and small business owners. We are proud of this budget and believe that it sets the right course for the city.

Our city workers and public safety officials deserve as much support as can be provided to them. Our taxpayers, especially those who manage on limited resources, also deserve protection from sudden, unexpected increases in their property tax bills and their water and sewer bills.

In any municipal budget, balance is required. Our team has stepped forward to propose a sound, sensible and sustainable budget that gives taxpayers the protections they need and ensures the city’s long-term fiscal stability.

We must examine our decisions and weigh them against our future obligations. As a city, we have a moral duty to act in a manner that is fiscally responsible. As your mayor, I take that duty very seriously.

The FY2016 budget we propose tonight uses a better, smarter and more responsible approach. When we looked at spending, our team employed long-term trend forecasting as the basis of covering ongoing expenses. We did the same with income, taking great care to treat recent and sudden increase of revenue as one-time occurrences.

Our team is proud to tell you we are proposing a policy that will address the ongoing maintenance of equipment and facilities. Deferring maintenance is irresponsible and inevitably leads to higher costs in the future.

In this spirit, we hope that the City Council will support and adopt the proposed Capital Plan Funding and Free Cash Distribution Policy. The purpose of this policy is to improve the City of Gloucester’s capital planning and investment. By creating and funding a Capital Stabilization Fund and a Building Maintenance Stabilization Fund that leverages and invests certified ‘free cash’ into our existing assets, we will ensure that we have the resources to fix what we need and grow where we can. We must not build a facility we cannot maintain and we must not start a program we cannot sustain.

We also ask the City Council to support and adopt our recommended policy changes to link a fixed percentage of the local hotel tax to the city’s tourism budget. This approach will create a predictable and growth-oriented

stream of revenue to jobs and opportunity in a sector of our city's economy that is very important and on the rise. As you can see from these proposals our team has presented a budget that supports the best interests of our community."

Outside of the Mayor's written remarks she cited as an example of how the city's employees work as a team with the Administration, the employees' effort in saving the taxpayers over \$250,000 despite the increase in healthcare costs. The city's health care costs were increasing over 9.5 percent for FY16. The employees switched to less expensive insurance products that still provided accessible, good healthcare coverage. She thanked the City of Gloucester employees for their help in curbing insurance costs.

Returning to her prepared statement the Mayor said that:

"As you know I am passionate about Gloucester. The budget before you and the recommended new policies represent our commitment--my commitment--to running the city with a responsible plan that respects our taxpayers and invests in our future.

We're proud to offer real solutions that are necessary to address the significant fiscal challenges that we face and ensure a sustainable financial future for the city.

We believe that this budget is the right course of action for Gloucester and we hope that you will support it and accept it. As always my staff will be available to answer questions and provide more information as necessary during the budget review conducted by the Budget & Finance Committee as well as any inquiries that come from the City Councilors individually. Our door is always open. Thank you for your time and I look forward to working with in in the coming weeks to right the city's financial ship."

Council President McGeary said thanked the Mayor for her remarks and said that the Council looks forward to working Mayor Theken and her administration in crafting the blueprint for the \$120 million corporation.

Councilor Cox, Chair of the Budget & Finance Committee, noted this would start a long and intense process for the Budget & Finance Committee, comprised of herself as Chair; Councilor William Fonvielle, Vice Chair; and Council President McGeary of the review of the FY16 budget. She invited the public to attend the budget meetings which will continue through the middle of June. A copy of the Budget & Finance Committee's budget meeting schedule can be found on the city's website, she noted. She highlighted some of the meetings to be held during the FY16 budget process:

- A public hearing on the budget at the City Council meeting of June 9;
- June 16 the Council will vote on the budget;
- Water and Sewer Rates and Enterprise Funds will be discussed on May 6;
- the Fire Department on June 5;
- Department of Public Works on May 28,
- Police Department on May 29;
- and the School Department on June 1.

MOTION: On motion by Councilor Cox, seconded by Councilor Fonvielle, the City Council voted 9 in favor, 0 opposed, 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 FY16 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.

Councilor Cox requested that the Administration provide an Excel Spreadsheet copy of the FY16 budget for the Council to be made available in time for the first budget meeting the following evening.

Councilor Fonvielle highlighted that the city played host to municipal water departments from across the state, and the city's Department of Public Works received an award for the improvements made to the city's water system over the last few years. He said it was a well-deserved accolade.

A motion was made, seconded and voted unanimously to adjourn the meeting at 7:14 p.m.

Respectfully submitted,

Dana C. Jorgensson
Clerk of Committees

DOCUMENTS/ITEMS SUBMITTED AT MEETING:

- **City of Gloucester FY16 Proposed Budget**