

**Budget & Finance Committee**  
Thursday, May 7, 2015 – 4:30 p.m.  
1<sup>st</sup> Fl. Council Committee Rm. – City Hall  
**-Minutes-**

**Present: Chair, Councilor Melissa Cox; Vice Chair, Councilor Bill Fonvielle; Councilor Paul McGeary**

**Absent: None,**

**Also Present: Kenny Costa; Jim Destino; Assistant Chief John McCarthy; Donna Compton; Nancy Papows; Gary Johnstone**

The Committee meeting convened at 4:30 p.m.

**1. *Special Budgetary Transfer Request (2015-SBT-42) from Police Department***

**Assistant Chief John McCarthy** said in order to fully fund the Parking Salary/Wage Part-Time Position account, funds that remain in the Animal Control Salary/Wages-Permanent Position account due to the lag time in hiring a second Animal Control Officer are being used. The reason for the transfer is that a step increase was miscalculated creating this deficit. **Kenny Costa**, City Auditor, said that there is only about \$1,000 left in the account.

**MOTION: On motion by Councilor McGeary, 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-42 in the amount of \$184.03 from Account #101000.10.292.51100.0000.00.000.00.051, Animal Control, Salary/Wages-Permanent Position, to Account #101000.10.218.51250.0000.00.000.00.051, Police-Parking, Salary/Wage-Part-Time Position, for the purpose of fully funding the Parking Salary/Wage Part-Time Position account for the remainder of Fiscal Year 2015.**

**2. *Draft Lease Agreement #15142 between the City of Gloucester & Good Harbor Beach Inn Corp. for the Witham Street Parking Area (Good Harbor Beach)***

**Donna Compton**, Purchasing Agent, said that the lease before the Council is the standard lease that has been put forward for some time now covering a three year period for the Witham Street Parking Area.

**Councilor Cox** said this matter was fully vetted and voted to be forwarded to the Council last evening at P&D, and that nothing has changed in the lease from the last time it was before the Council in 2012. She asked if anything had changed from the previous year to warrant an increase, **Donna Compton** said there hadn't. This is a pro forma action, she said.

**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 the disposition by means of a lease as provided in Lease Agreement 15142 for the Witham Street Parking area at 99 Thatcher Road between the City of Gloucester and the Good Harbor Beach Inn Corp., pursuant to the terms and conditions stated therein. Said term is to be three years from May 1, 2015 to April 30, 2018.**

**3. *Memorandum from Principal Assessor re: Declaration of Overlay Surplus & Supplemental Appropriation-Budgetary Request (2015-SA-27)***

**Nancy Papows** said that the Chief Administrative Officer reviewed that the Gloucester Board of Assessors declared an Overlay Surplus of \$255,317.98 and that the funds are being applied for the purpose of reducing the city's Snow and Ice budget deficit. **Ms. Papows** also reviewed the process by which the Board of Assessors reaches their conclusions each year as to how much of the Overlay Surplus can be released based on several considerations such as funds to cover cases that are still pending in appellate court, anticipation of possible coverage of outstanding receivables of property tax owed to the city, and abatements to be granted.

**Councilor McGeary** discussed with **Jim Destino** that the Administration prefers to continue in the manner they have in terms of the dollars being released and on an annual basis keeping it in the range on or around \$400,000, and that the FY16 budget of \$380,000 is appropriate. He and Mr. Costa confirmed the dollar amount is appropriate and won't be an issue for the Department of Revenue upon its review at tax recap time.

**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 approve Supplemental Appropriation 2015-SA-27 in the amount of \$255,317.98 (Two Hundred Fifty-Five Thousand Three Hundred Seventeen Dollars and Ninety-Eight Cents) from Account #101000.10.000.32200.0000.00.000.00.000, General Fund – Fund Balance-Reserved Extra\Unforeseen (Overlay Surplus) to Account #101000.10.423.52970.0000.00.000.00.052, DPW-Snow/Ice Removal, Snow/Ice-Contract for the purpose of reducing the Snow and Ice deficit.**

**4. *Request City Council acceptance of a \$2,000 donation to the City from David Putnam***

**Mr. Destino** said that Mr. Putnam's donations are to be used at the discretion of the Mayor once accepted by the Council. He said that the Mayor would like to put these funds into the General Fund. He noted that a thank you note has already been forwarded to Mr. Putnam by the Mayor.

**Councilor Fonvielle** suggested the Administration could create an innovation prize for city employee and would forward such a request to the Mayor with this week's Councilors' Requests to the Mayor.

**Mr. Costa** said if the funds are not used for a specific appropriate purpose before the close of the fiscal year, the money will fall to the General Fund bottom line.

**MOTION: On a motion by Councilor Fonvielle, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed, to accept under MGL Chapter 44, §53A-1/2 the donation of \$2,000 by David Putnam to the City of Gloucester to be used as a proper public municipal expenditure under the direction of the Mayor's Office.**

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

**Mr. Costa** reviewed his reports (on file) with the Committee including the Snow & Ice deficit. He reported that the city spent \$3,343,082 for Snow & Ice with about \$2,000 left in outstanding invoices to yet be included. There is an outstanding deficit of \$2,833,343.82, minus the budgeted \$650,000, and then there is the overlay surplus to be used towards Snow and Ice to help reduce the deficit to date.

**Mr. Destino** said the city will take advantage of the three year amortization offered by the state for the deficit, but the Administration is still discussing how to knock the deficit down. He said after the final tabulation of the health care savings, the city saved \$605,000 between the schools and city. The school money will remain in the School budget at \$325,000. The \$280,000 on the city side will go to free cash. A determination after to the sweep of year end accounts will be made and put some of that towards Snow and Ice, and whatever are left will be amortized over three years for paying off this winter's Snow and Ice deficit. He discussed possibly taking remaining funds out of free cash, but for now has decided against it and pursue continuing to manage and knock the number down as much as possible, but reiterated that the city will be taking advantage of the state's offer to allow the city pay it down over three years. The state is also saying that other expenses incurred over the 48 hour window will be allowed. He advised that today the Governor of Massachusetts filed a letter to FEMA and President Obama to open the window for FEMA reimbursement up to 72 hours. It is why they are leaving things as they are for the time being to see if the city will receive more than they thought from the federal government for Snow & Ice reimbursements. **Mr. Costa** added they are even talking about counting hauling away of snow, just expenditures, not revenues. He said the reimbursement will be in the form of a grant from FEMA. **Councilor McGeary** and **Mr. Destino** estimated the city when all is said and done will have about a \$1.8 million deficit which would be divided up over three years at \$600,000 a year for amortization. The Snow & Ice budget for FY16 is now upped to \$750,000 from \$650,000 (Once the number is upped, it cannot go down by DOR rules. The account is the only account allowed to run in a deficit.). **Mr. Destino** suggested unreserved free cash is a good use for the amortized Snow and Ice debt. He said that by the 2015 recap in October they'll have to have this all figured out.

**A motion was made, seconded and voted unanimously to adjourn the meeting at 5:05 p.m.**

**Respectfully submitted,**

**Dana C. Jorgensson**

**Clerk of Committees**

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