

**SPECIAL MEETING
GLOUCESTER CITY COUNCIL
Tuesday - May 4, 2010
6:00 P.M.
Kyrouz Auditorium – City Hall**

Present: Council President Jacqueline Hardy, Council Vice President Sefatia Theken, Councilor Joe Ciolino, Councilor Paul McGeary, Councilor Ann Mulcahey, Councilor Greg Verga, and Councilor Robert Whynott
Absent: Councilor Curcuru and Councilor Tobey

Also Present: Mayor Kirk

The meeting was called to order at 6:00 p.m.

Flag Salute and Moment of Silence

1. Proposed FY11 Budget by the Administration

Council President Hardy announced that this meeting is a Special City Council meeting for the purpose of referring the FY11 Budget to the Budget and Finance Committee for review and recommendation prior to presentation to the full City Council.

Mayor Kirk thanked the Council for calling a Special Meeting to accept the FY11 Budget from the Administration.

She reviewed the highlights, noting there is much good news within the budget. There is a rebound in city service levels for three reasons. Those being:

1. The freeze on wage increases with city contracts being settled over the past year with employees agreeing to three years of zero wage increases;
2. The good choices on the use of new revenue available; and,
3. Continued re-evaluation of existing spending.

She pointed out the gross General Fund Revenues of \$84,942,510, with three items being taken off the top which include Reserve for Abatement and Exemptions in the amount of (\$400,000); Charter School Tuition – (\$1,026,180); and the CSO Debt Shift of (\$1,750,000), bringing the Total Net Available Funds for FY11 to **\$81,766.330**.

Mayor Kirk further stated that next year there will be expenses (i. e. Charter School) and not as much revenue. However, this year, there is an increase in revenue of approximately \$974,000, which shows a brighter picture than this time last year.

There was consideration to take the new revenue and divide it fifty – fifty with the schools; however, it is proposed that the schools receive two-thirds of the amount of revenue increase.

This would provide the schools with \$664,000. She noted that the School Department was given early budget guidance; and, there was much discussion on whether to cut back an increase to the schools. However, the Administration chose to honor the commitment of two-thirds of the new revenue, with the city receiving one-third.

The FY 11 budget has some wage increases, and **Mayor Kirk** feels that good choices have been made and reprioritizing is continuing. The Budget reflects two new police officers hired and added to the staff. Also, new police equipment needs were addressed.

With regard to the Fire Department, two new paramedics have been added, as well as a new position of Assistant Chief. Further, in response to the Fire Department Audit, equipment needs are being met.

The DPW has requested funding for a professional engineer which has been recommended. With that position filled, the Director will have a full compliment of management staff which is needed to address the needs of the Department.

Further, snow and ice has been increased by \$200,000 in order to support the downtown business community during the winter. In the past, this spending has been restrictive, therefore, additional funds have been proposed.

Mayor Kirk stated that the Library, Senior Center, and Veterans' Office needs have also been proposed as follows:

Library - needs to be brought back to certification standards and a three year plan has been developed with an increase in appropriations.

Senior Center – a part time person has been proposed to assist the one full time employee.

Veterans' Center – The position of Veterans' Agent has been previously contracted out; however, the position has been funded for FY11.

The Mayor noted that the Administration has been able to do good things with the FY11 Budget and almost all contracts have been settled with the exception of the Police Superior Officers.

Further, \$100,000 is being held in reserve to be set aside in the event the Department of Revenue says the City must pay off deficits. The Administration has worked diligently to encourage the schools to take care of the school deficits. **Mayor Kirk** requests the Council to retain that amount in reserves until December Tax Re-Cap time. There is no free cash because deficits are being carried.

With regard to the CPA, the administration estimated a FY11 budget in the amount of \$560,000 consisting of \$132,000 from the Commonwealth as the state's share and the surcharge that equals \$427,500 in local tax (meals/room tax) revenue.

Mayor Kirk reviewed the Water and Sewer Enterprise Funds, stating that a proposed water rate increase of 16% is being proposed to cover the water project(s) budget. There has been a large decrease from the Water Enterprise Fund to do all the work over the past year. Further,

a proposed decrease of 17% has been proposed from the sewer rate because of a proposed debt shift.

The Waterways Enterprise is similar to the past year, with a solid revenue that covers the operations.

In conclusion, **Mayor Kirk** stated this has been the best budget she has seen in six years; however, this is merely a one-year reprieve given the Charter School tuition costs next year. There will be a problem next year, she said, but this year, city services can be supported. One must keep in mind the anticipated concerns of FY12; but, take a moment and be pleased with the accomplishments of FY11.

She thanked the Council and anticipates working cooperatively while taking up the budget review process.

Councilor Whynott questioned whether there would be any city employee cuts. **Mayor Kirk** responded no.

MOTION: On motion of Councilor Ciolino, seconded by Councilor McGeary, the City Council voted 7 In Favor, 2 Absent to refer the FY11 Budget to the Budget and Finance Committee for review and recommendation.

Councilor Hardy requested the Administration to post the FY11 Budget on the City's Web Site by Wednesday, May 5, 2010. She further requested the City Clerk post the FY11 Budget Schedule on the Web Site on Wednesday, May 5th.

2. CC2010-27 (Tobey) – Order that the Council and the Mayor join in a letter to the state's Congressional delegation urging them to co-sign and vigorously support the Legislation to be filed by Senator Nelson of Florida that would prohibit action on the Obama administration's plans to expand offshore drilling. **FCV 5/11/10**

3. Other Business.

None

ADJOURNMENT.

MOTION: On motion of Councilor Ciolino seconded by Councilor Theken, the City Council voted UNANIMOUSLY to adjourn the meeting at 6:25 p.m.

Respectfully submitted,
Anne Marchand