

Budget & Finance Committee
Thursday, October 22, 2015 – 5:00 p.m.
1st Fl. Council Committee Room – City Hall
-Minutes-

Present: Chair, Councilor Melissa Cox; Councilor Paul McGeary; Councilor William Fonvielle

Absent: None.

Also Present: Kenny Costa; Jim Destino; John Dunn; Police Chief Leonard Campanello; Mark Cole; Fire Chief Eric Smith; Harbormaster Jim Caulkett; Tony Gross; Matt Coogan; Carol Thistle

The meeting convened at 4:33 p.m.

1. *Petitions for road repairs in accordance with GCO Article VI “Repair of Private Ways,” Sec. 21-80 et seq. (Cont’d from 09/17/15)*
 - A) Starknaught Heights
 - B) Starknaught Road
 - C) Oxford Road
 - D) Joseph’s Way

Councilor McGeary informed the Committee that he has scheduled a meeting of abutters for 6 p.m. on Tuesday, Oct. 27 in order to ensure compliance with the Code of Ordinances and have the abutters revoke their commitment to have their roads repaved through the city’s betterment program. He suggested there could be a meeting of the Budget & Finance Committee to follow at 6:45 p.m. so that the Committee could vote to put the streets forward under a public hearing already opened and continued. The Committee, **Jim Destino**, CAO, and **John Dunn**, CFO, discussed procedural issues and financing by a loan order to be paid through the betterments of the abutters, the Committee decided after assurance by Mr. Destino and Mr. Dunn, that a loan order would come through the next Mayor’s Report tailored to the results of the abutters’ Oct. 27 meeting, that the matter would be continued to November 12, but that in all likelihood a vote of the Committee on both putting the petitions forward and a loan order would come through their Dec. 10 meeting and be finalized through a continued public hearing on Dec. 15.

This matter is continued to November 12, 2015.

Police Department:

2. *Memo, Grant Application & Checklist from Police Chief: City Council acceptance of a FY16 State 911 EMD & Training Grant in the amount of \$154,032.55*

Police Chief Leonard Campanello asked that the B&F Committee accept this annual grant from the Mass. State 911 Department for FY16 Emergency Medical Dispatch (EMD) and Training Grant in the amount of \$154,032.55. He said that this is simply the acceptance, reminding the Committee he had been before them for permission to apply for the grant on Sept. 17.

COMMITTEE RECOMMENDATION: On a motion by Councilor Fonvielle, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed, to accept under MGL c. 44, §53A from the Massachusetts Executive Office of Public Safety and Security, a FY16 State 911 Department Training Grant and Emergency Medical Dispatch/Regulatory Compliance Grant for \$154,032.55. The grant period of this grant is from August 31, 2015 through June 30, 2016.

DPW:

3. *Supplemental Appropriation-Budgetary Request (2016-SA-4) from the DPW*

Mark Cole, Assistant Public Works Director, said this is the last transfer of the paving season in order to finish up remaining projects for sidewalks and road paving. Railroad Avenue and Granite Street will be done by month’s end, he noted. **Mr. Destino** pointed out the funds being transferred come from road opening permit fees.

COMMITTEE RECOMMENDATION: 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 2016-SA-4 in the amount of \$45,000 from Account #294015.10.991.59600.0000.00.000.00.059, Highway Force, Transfer out to the General Fund to Account #101000.10.470.58415.0000.00.000.00.058, DPW Public Services Paving for the purpose of funding various city paving projects.

Fire Department:

4. *Memo from Chief Financial Officer re: City Council approval of repurposing funds for the purpose of obtaining a new Fire Department command vehicle*
5. *Memo from Fire Chief & a Special Budgetary Transfer (2015-SBT-3) from the Fire Department*

John Dunn, CFO, explained the following: The Fire Department is in need of a new #2 command vehicle. It was recounted that the Fire Chief was originally going to appropriate funds for it from within his FY16 budget. As has been done in the past, with old water accounts, old vehicle accounts were reviewed and funds were found in three accounts totaling \$28,000. They then went back to the vendor and asked for lease terms based on a larger first year down payment which worked out and is the proposal before the Committee now. Through this method of financing the first year of the lease, it takes the burden off of the Fire Department's operating accounts by locating these available funds within the capital projects accounts spread over three older projects and was what those funds were appropriated for in the first place.

Fire Chief Eric Smith explained that the gap in his department's vehicle fleet is that there is no Car #2 which would be assigned to the Assistant Fire Chief, who is currently driving what was purchased and intended to be Car #5, a spare vehicle for transportation to trainings, and to be put in service when the front-line command vehicle was being repaired. The intent was to replace the Chief's vehicle and roll his vehicle to the Assistant Chief with Deputies already having assigned shift vehicles and the spare to remain a spare (at purchase a \$5,000 Ford Explorer with 100,000 miles). He said the department's and many Ford owner's experience with Ford engines, noting that his command vehicle just had to have its Ford engine rebuilt, it is prudent to replace command vehicle #2 and roll the command vehicle over to the Assistant Chief. It is putting the money up front in a true emergency response vehicle that is safe and operable. Having a spare already set up it can be easily put on the front line is also a good policy, he pointed out.

This is a \$40,000 new vehicle with \$37,000 worth of communication equipment, **Mr. Destino** commented (to be obtained through Liberty Chevrolet). **Chief Smith** said it is the radio/communications gear that needs to be installed in a command vehicle that is such a great expense, and pointed out that they bought the cheapest of the level of public safety radios available. He assured they know this company's equipment (Kenwood) and use it now effectively.

Councilor Cox discussed some of the equipment listed (on file) to that would be installed in the new command vehicle with **Chief Smith** who noted that much of the equipment is mandatory from 2015 forward, in particular a back-up camera. He pointed out that the back window of the command vehicle is completely obscured by the command center equipment necessitating the use of a back-up camera regardless.

Councilor McGeary confirmed with **Mr. Destino** that there is no need for any Special Budgetary Transfers to pay for the lease, but that the Committee and the Council simply needs to repurpose these funds from the three capital vehicle accounts and a check would be cut and used to pay for the new command vehicle. **Mr. Dunn** added that the way the leases are set up the payments are in advance, and that it is three years and a day, then it is gone -- it is a lease-to-own program with four payments. **Mr. Destino** said that the first payment was supposed to be \$19,000 which was budgeted for in the department's capital account, but because these accounts became available the decision was to front load the first payment, paying more up front and bring down the next three years' payments. With the \$19,000 freed up they would then pass it back into the overtime account to assist in keeping fire stations open, **Mr. Destino** said. It was noted that both vendors are on the state bid list.

COMMITTEE RECOMMENDATION: 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 under M.G.L. c. 44, §20 the repurposing of \$28,045.01 in three accounts with balances remaining and transfer the funds to Fund 300099 CIP - Fire Department Command Vehicle for the purpose of funding the purchase of a new Fire Department Command Vehicle from the following Fund's:

<u>Fund #</u>	<u>Fund Name</u>	<u>Balance</u>
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300008	CIP 2004 – Replace Fire Forestry Vehicle	\$15,471.00
300062	CIP 2007 (5) – Fire SUV	\$ 1,095.25
300072	Construction Vehicles	<u>\$11,478.76</u>
	TOTAL:	\$28,045.01

5. *Memo from Fire Chief & a Special Budgetary Transfer (2015-SBT-3) from the Fire Department*

Councilor Cox inquired that with this transfer where it leaves the Fire Department's overtime. Chief Smith advised that he just received approval from PERAC for the last two injured on-the-job firefighter retirements. He said that they are doing all the retirement pay outs and that he has to figure out what lag money will be left. He added that once that is accounted for then he can determine when he can hire new firefighters, and how long the firefighters will be trained through the academy, and will that make much of a difference. He said that the hits to the overtime account has slowed with summer now over, but he cautioned that it will pick up with the holiday season as it always does. It is hoped to get people in house to fill the staffing holes sooner depending on how the lag money plays out.

Councilor Cox, referring to the two retirees that were on disability were also incurring payouts for sick time and vacation time, or had they used it all while on workers comp leave, which **Chief Smith** confirmed they are paid out as with any other city employees. Four firefighters will be retired by the end of the 2015 calendar year and one more firefighter is expected to retire by the end of June 2016, he said. There are still, with retirements and vacancies included, down seven firefighters in total. He said that they won't hire any firefighters until they know where it all falls out financially.

Councilor McGeary said even with firefighters out, the department can still keep the stations opened. **Chief Smith** said there is sporadic overtime at this point, but in large part they are meeting the shift minimums and some days above it without having to bring in any firefighters on overtime. He noted that contract minimum is 16 firefighters per shift but at that staffing level it means the Magnolia station is closed. It takes 18 firefighters reporting for a shift to keep the Magnolia station open.

Councilor McGeary asked if the Fire Department hires replacements from another department did those new hires have to go through the academy again. **Chief Smith** explained: It is dependent on what department they came from and their credentials they hold. The city's firefighter's contract requires that the new hires have been through the Mass. Fire Academy. The allowance is that if they have the same accrediting agency that the academy uses and have accredited Firefighter 1 and 2 training (recent hires from the U.S. Military and from a transfer from a south of Boston department and a local area fire department), then those hires only have to complete their four-week orientation and can go right to work on the line. If a new hire has to go to the academy it is an additional nine weeks.

COMMITTEE RECOMMENDATION: On a motion by Councilor Fonville, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Special Budgetary Transfer 2016-SBT-3 in the amount of \$19,000 from Account #101000.10.220.58720.0000.00.000.00.058, Fire Department, Replace Automobiles, 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.

Harbormaster's Department:

6. *Memo, Grant Application & Checklist from Harbormaster re: City Council acceptance of a Boating Infrastructure Grant (BIG) in the amount of \$263,930 from the U.S. Fish & Wildlife Service through the Mass. Division of Marine Fisheries*

Harbormaster Jim Caulkett said that this is the same grant that he had been before the B&F Committee in February now seeking acceptance to this Boating Infrastructure Grant (BIG) passed through to the Mass. Division of Marine Fisheries from the U.S. Fish & Wildlife Service for the purchase of various floats at the Solomon Jacobs Landing. He noted the information previously submitted (on file) on the grant. Accompanying Mr. Caulkett was Ken Lento, Project Manager for the Water Sheet and Solomon Jacobs Remediation Project (Project) for National Grid. Responding to a question by **Councilor McGeary, Tony Gross**, Waterways Board Chairman, noted that three finger piers previously purchased are not eligible under this grant. **Mr. Caulkett** advised that if all goes well with National Grid's remediation work that the floats being purchased now could be in by Memorial Day weekend in 2016. **Mr. Lento** said that the floats would go in for the summer of 2016 temporarily and their permanent

installation slated for the same timeframe in 2017. **Mr. Gross** added that the weight attenuating breakwater type floats are serving a dual purpose during the project and will be installed in front of the Coast Guard Station with National Grid using them during the two winter seasons.

Councilor Cox asked when the project is slated for completion. The Project is to be completed in May of 2017, **Mr. Lento** said, and that all site features will be completed as well. **Mr. Gross** said that when the project is finished will be new seawalls, connecting walkways with Maritime Gloucester and will become part of the Harbor Walk behind the existing building.

Councilor Cox said that she has been trying to get a full update on this project before the City Council to include a review of the timeline, displacement of vessels currently docked at the Maritime Center, accommodations made for the Gig Rowers. **Mr. Lento, Mr. Gross** and **Harbormaster Caulkett** said they were available if that was the will of the Council but they were also available to meet with the Councilor to provide answers to any questions she may have. She expressed the concern of Maritime Gloucester about losing a large portion of their parking, tractor trailers parked on Harbor Loop are taking up a large portion of that area's available parking, and that the Gig Rowers are concerned about loss of dockage. She asked to meet with Mr. Lento to hear how National Grid could allay some of those concerns. **Councilor Fonvielle** said he has a great interest in the matters concerning Maritime Gloucester and the Gig Rowers and wished to be included in any meeting of that nature as he is working with Maritime Gloucester.

Councilor McGeary asked about possible time limits for transient boater tie ups at the docks to be installed with the BIG grant funds. **Mr. Caulkett** said the Board has to work out the details of the transient boater tie up parameters. **Mr. Gross** said there is no overnight or permanent tie up on these floats -- it is disallowed by the grant. The launch still has a dedicated position on them, however.

COMMITTEE RECOMMENDATION: 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 under MGL c.44, §53A a federal grant through the 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 for a total of \$263,930.

7. *Report of the Harbormaster and CFO regarding the Gloucester Launch summer season ridership and new seasonal pass for the timeframe straddling FY15 and FY16 (last discussed by B&F on April 23, 2015)*

Mr. Caulkett reviewed the summer season ridership and new seasonal pass usage for the timeframe straddling FY15 and FY16 and previously submitted documentation (on file). He said that ridership and monetary return has grown, although sales of the newly initiated season launch pass were disappointing, but he pointed out the passes only became available this spring. **Mr. Gross** added out that the launch service enhances the community at large. Even if it never made a profit it could still be worth it, **Councilor McGeary** said. **Councilor Cox** agreed that ridership has gone up a lot between the second and third year. **Mr. Gross** said that increase is a result of the season pass, and that the launch service is a good addition to the city's waterfront.

Community Development Department:

8. *Memo, Grant Application & Checklist from Community Development Director re: City Council acceptance of MassDEP grant through the Mass. Electric Vehicle Incentive Program (MassEVIP) in the amount of \$51,000*

Mr. Destino said that this Mass. Electric Vehicle Incentive Program mirrors the previous grant for electric vehicles. He advised the city is in the process of a fleet assessment, and that he will have a recommendation on that analysis suggesting that leasing through a national car company may be a better option for the city. That remains to be seen, he said as it requires a five year commitment which he added he is not comfortable with. It has yet to be determined whether that it will be three or up to five vehicles. Two vehicles will be available to city staff at the Pond Road City Hall Annex, and a vehicle will be parked at City Hall as a flex car. He said that a charging station will be located near the Warren Street kiosk right outside of City Hall and that the flex car will be parked there. He noted that this vehicle program helps to lower the carbon footprint of the city.

Responding to a Councilor inquiry, **Matt Coogan**, Senior Planner said that the cost of the charging stations is \$13,500. He said that the last installation of a charging station was \$11,000, but that it may cost a bit more to do the installation at City Hall due to the need for underground conduit. He noted that the DPW provided assistance on the

installation at the Pond Road City Hall Annex which constituted the in-kind match for the last grant and it was anticipated that would be the same for this new grant.

COMMITTEE RECOMMENDATION: 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 under MGL c.44, §53A a state grant from the Massachusetts Department of Environmental Protection for its Massachusetts Electric Vehicles Incentive Program Grant for a total of \$51,000 for the purpose of acquiring up to five electric vehicles and a Level 2 dual head charging station.

9. *Memo from Community Development Director re: City Council Acceptance of a 2014 Essex Heritage Visitor Center Grant in the amount of \$2,500*
10. *Memo from Community Development Director re: City Council Acceptance of a 2015 Essex Heritage Visitor Center Grant in the amount of \$2,350*

Carol Thistle, Senior Project Manager, said that this is a grant the city has applied for annually. It is used for brochures and flyers. She explained that in reality it is a partnership between the National Heritage Center and the city. She referred to her documentation in the agenda packet (on file) saying that it was advantageous for the city to be a part of this organization sharing information as 34 cities in the region that are partnered with the National Heritage Center along with many Visitor Centers, and thereby expanding Gloucester's reach.

Councilor Cox pointed out that the city had received the 2014 grant funds but that it had not been formally accepted by the Council. **Mr. Costa** discussed with Ms. Thistle and the Committee a need to have a record of a grant extension documented for the 2014 grant for auditing purposes. The checks are in a holding account, he advised. **Councilor Cox** asked that Ms. Thistle seek a document from the grantor that acknowledges the 2014 funds can be spent past the grant date deadline and forward it to the City Auditor. **Councilor Cox** said that she hoped to see Ms. Thistle next May bringing to the Committee a grant acceptance for 2016 that is spent in the same year.

COMMITTEE RECOMMENDATION: 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 accept under MGL c. 44, §53A a federal grant through the Essex National Heritage 2014 Visitor Center Grant through the National Park Service for a total of \$2,500 for the purpose of supporting the activities of the City's Visitor Welcome Center at Stage Fort Park. The grant period is from May 2014 through October 2014.

COMMITTEE RECOMMENDATION: 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 under MGL c. 44, §53A a federal grant through the Essex National Heritage 2015 Visitor Center Grant through the National Park Service for a total of \$2,350 for the purpose of supporting the activities of the City's Visitor Welcome Center at Stage Fort Park. The grant period is from May 2015 through October 2015.

11. *Relevant material to an EDA Financial Assistance Award in the amount of \$555,000 for sewer system improvement at the Blackburn Industrial Park & request City Council acceptance of said award*

Mr. Destino updated the Committee on the already accepted grant by the Council advising that he had a two-hour conference call with the federal project manager located in Philadelphia with Larry Durkin, the city's Environmental Engineer; Steve Winslow, Senior Project Manager and Grace Macan, Financial Analyst from the Treasurer's Office who will help with the extensive financial filings and disclosures. He advised that there are many requirements that goes along with this grant but that there is a strong team of city staff in place ready to take this project forward. He said that they are in preliminary planning stages of putting together a Request for Proposal together, and then the Purchasing Agent, Donna Compton, will be brought into the process. It is hoped that by the middle of 2016 construction will start. He recounted that this grant tied to job creation, which is a requirement, and that the reporting to the federal government will have to be done annually for nine years.

This matter is closed.

Treasurer/Collector's Department:

12. Memo from Chief Financial Officer re: the Beeman Elementary School Boiler Project & City Council acceptance of a National Grid check in the amount of \$22,121 as a current year receipt in the One Time Revenue Account & appropriate said amount to the Facilities Building Maintenance Account

Mr. Dunn explained the following: A month ago the Administration came forward to appropriate money to fully fund the Beeman boiler conversion project. There was a portion of that total project cost which was charged to an operating account in the DPW Facilities Department. At that time Councilor Cox had expressed concern about the impact of charging the \$34,000 (see B&F minutes 09/03/15 on file), but it was one way to get the contract signed and get project moving along. In the meantime the city received an incentive check from National Grid for the boiler project at the O'Maley Innovation Middle School. Because the capital project fund used had both of the boiler projects in it, the easiest way is to offset the charge to the General Fund account in Facilities and thereby reduces the hit to the Facilities Department account to \$12,000.

Responding to an inquiry by **Councilor McGeary**, **Mr. Dunn** said this National Grid check is coming in as additional revenue to the General Fund. The General Fund is increasing and General Fund expenditures are increasing. This is budgeting an additional piece of revenue and then offsetting it with increasing the appropriation to the Facilities account. General Fund and it is budgeting additional piece of revenue and increasing the appropriations to the facilities account. Both **Mr. Dunn** and **Mr. Costa** confirmed this is a better way to deal with the funding situation for the project. **Mr. Dunn** noted there is a possibility that with the Beeman project will generate another incentive check from National Grid that could come through before the end of the fiscal year, but they don't know if it will happen. If a check does come in, it can be brought in as miscellaneous revenue and drop to the bottom line at year end. The boiler conversion project for the Beeman Elementary School is close to completion, it was noted.

Councilor Cox expressed her appreciation that the Facilities account was backfilled.

MOTION: On a motion by Councilor McGeary, seconded by Councilor Fonvielle, the Budget & Finance Committee voted 3 in favor, 0 opposed, to appropriate 2016-SA-5 \$22,121 (Twenty-two thousand one hundred twenty one dollars) as a supplemental appropriation to the Fiscal Year 2016 Budget to the DPW Facilities, Building Maintenance, Account # 101000.10.472.52410.0000.00.000.00.052 for the purpose of City Building Maintenance. The approval of available funds of \$22,121 (Twenty-two thousand one hundred twenty one dollars) to the FY2016 General Fund Revenues as a one-time revenue from National Grid for the efficiency incentive boiler conversion at the O'Maley Innovation Middle School.

Assessors' Department:

13. Memo from Principal Assessor: Tax Classification

This matter is continued to November 12, 2015.

City Auditor:

14. Memo from City Auditor re: request City Council adoption of a three-year Snow & Ice Amortization Schedule pursuant to Mass. DOR requirement in accordance with MGL c. 10, §58 of the Acts of 1985

Mr. Destino reported the Department of Revenue (DOR) has certified city's FY15 free cash at \$3.45 million and while seemingly a good number, but there is a large Snow and Ice deficit from this past winter. He said at this point the CFO, the City Auditor and he with the Mayor are still weighing the options of the three year amortization schedule -- whether to pay the minimum in the first year of \$773,000 for to pay down the first year in order to lower the second and third year payments, or whether to eliminate the deficit in its entirety at once. There is still the Administration's policy to distribute free cash to distribute the remaining funds after a decision is made on managing the Snow and Ice deficit, to put funds in the a Capital Stabilization Fund, a Facilities Stabilization Fund, a Stabilization Fund and in a Reserve Fund. He reminded the Committee that there is \$300,000 offset from FEMA, which he admitted was a conservative number, but they don't know when that money will come to the city, but if more than that comes in, he advised that the difference fall to bottom line if it comes in this year.

During the certification of free cash and that under the tax recap both **Mr. Costa** and **Mr. Dunn** said that they could raise revenue because both excise tax and new growth lags a year, and the city's numbers came in higher than anticipated. It is also possible there could also be more funds coming from bond premiums, he said. If they don't do that the money will just fall to free cash next year, but there is the opportunity to use it now for the Snow and Ice

deficit. He pointed out that FY16 first quarter revenue beach revenues were good; hotel/motel tax revenue is up -- so he and the financial team are weighing all possible options.

After a brief discussion with the Committee on some of the options **Mr. Destino** suggested, he extended his thanks to Mr. Costa for the speed in which free cash was certified and the tax recap accomplished. He said during a recent meeting with the DOR they lauded the city's financial policy and financial team. **Mr. Costa** added his agreement that the DOR acknowledged the great financial team the city has.

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

Mr. Costa reviewed his reports with the Committee.

A motion was made, seconded and voted unanimously to adjourn the meeting at 6:05 p.m.

Respectfully submitted,

**Dana C. Jorgenson
Clerk of Committees**

DOCUMENTS/ITEMS SUBMITTED AT MEETING:

- **Auditor's Actual Amount Overdrawn Report and Projected Amount Overdrawn Report dated 22-Sep-15 from Kenny Costa, City Auditor**