

Budget & Finance Committee
Thursday, March 17, 2016 – 5:30 p.m.
1st Fl. Council Committee Room – City Hall
-Minutes-

Present: Chair, Councilor R. Scott Memhard; Vice Chair, Councilor Joseph M. Orlando, Jr.; Councilor Joseph Ciolino

Absent: None.

Also Present: Councilor James W. O’Hara, Jr.; Kenny Costa; Jim Destino; John Dunn; Police Chief Leonard Campanello; Dr. Richard Safier; Jonathan Pope; Max Schenk; Christine Hildebrand

The meeting convened at 5:33 p.m. Matters were taken out of order.

1. Memorandum from Interim Health Director re: City Council acceptance of an amendment to the FY16 Mass. Opiate Abuse Prevention Collaborative (MOAPC) Grant in the amount of \$70,000

Max Schenk, Interim Director of the Health Department, explained that the Healthy Gloucester Collaborative is in receipt of a \$70,000 amendment to the current contract for the FY16 Mass. Opiate Abuse Prevention Collaborative (MOAPC) grant. The additional funds were earmarked by the state legislature to combat the opioid crisis in the state through the Bureau of Substance Abuse (BSAS) of the Department of Public Health through the Federal Substance Abuse And Mental Health Services Administration (SAMHSA). The time period for expenditure is now through June 30. He added that this grant allows the HGC to work in conjunction with Beverly and Danvers to address the opioid crisis through a strategic regional approach which targets prevention and overdose training. He said it is intended to utilize the additional funds to pilot a strategy to bring the successful SBIRT screening program into the Dental Center and train health care professionals in motivational interviewing. He said it is also intended to develop on-line training modules for prescriber education as they work to educate local physicians about the dangers of over-prescribing prescription pain medication.

Mr. Schenk introduced Christine Hildebrand, Healthy Gloucester Collaborative. **Ms. Hildebrand** briefly reviewed how the funds would be spent with a concentration on training locally through the Collaborative but also working with the city’s regional partners. **Mr. Schenk** added that BSAS prefers this block of funding be spent first because this money can’t be carried over as the original BSAS/SAMHSA grant funds can from one fiscal year to the next of the overall arc of the grant.

MOTION: On a motion by Councilor Orlando, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed under MGL Chapter 44, §53A to accept an amendment to the Opioid Abuse Prevention Collaborative grant from the Massachusetts Department of Public Health, Bureau of Substance Abuse Services in the amount of \$70,000. The award contains funds from the Substance Abuse And Mental Health Services Administration (SAMHSA) of the Federal government and the time period for expenditure will be in effect through June 30, 2016.

2. Communication from Superintendent of Schools regarding two Statements of Interest to the MSBA for East Gloucester Elementary and Beeman Memorial Elementary Schools

Dr. Richard Safier, Superintendent of Schools, explained the following: The School Committee and the School Department is asking that the city Council vote in favor of forwarding two separate Statements of Interest (SOI), one for East Gloucester Elementary School (built in 1948) and one for Beeman Memorial Elementary School (built in 1956). The Massachusetts School Building Authority (MSBA) is currently accepting SOI’s for consideration in 2016. Submitting an SOI is the critical first step in the MSBA’s program to partially fund construction, renovation, additional or repair of municipally-owned school facilities. He reminded the Committee of their having recently voted on such a SOI for the GHS school roof replacement, saying that SOI’s allow districts to inform the MSBA about deficiencies that exist in local school facilities and how those deficiencies inhibit the delivery of the district’s educational program. He said it is the intent to submit two such SOI’s. The SOI’s are due into the MSBA by April 8, he noted. These SOI’s are a result of the conditions in the two elementary schools. It is an opportunity to see what it is all about and is just a statement of need.

Councilor Orlando is the determination that those two sites are the most buildable for new. **Jonathan Pope**, School Committee Chair, said the School Committee has to prioritize one school or the other. He discussed with the

Committee that initially it was East Gloucester because it is the older school of the two in question. He advised that in continuing conversations with the Public Works Director, Mike Hale, the need between the two schools is about even. He noted that Beeman has nine modular classrooms, and East Gloucester has two, but East Gloucester is older, built in 1948, Beeman having been built in 1956. He said they are just showing the MSBA the district's need -- that if the schools get into the cycle, the MSBA will come in and help make a determination of condition for the city. He added that the district has to say what they'd consider doing with the schools, and he said that they would consider the options of rebuilding on the site, building at different site or a possible school consolidation which leaves all the options open. **Dr. Safier** said that the district did the Master Plan Study for the buildings, which showed the educational and HVAC, and other building constraints on each of the sites, what the problems are. He said based on this information it is hoped that this is ultimately what will get them selected for the MSBA program. When they spoke to their MSBA representative, they were informed that the MSBA prefers a submission that is more conceptual and that shows there is a need, and this is what the district wants studied.

Councilor Orlando noted that the MSBA paid 57 percent of West Parish School. **Mr. Pope** said it is only for certain reimbursable items that the rental of the St. Ann's School to act as a West Parish swing school wasn't in the scope of the MSBA reimbursements. **Councilor Orlando** suggested that with the two schools, reimbursements from the MSB would be roughly the same as it was for the new West Parish School. Responding to an inquiry by **Councilor Orlando**, **Mr. Destino** said the Administration supports the SOIs. He said he can't imagine the city would ever build another school funded entirely through its general fund. He noted the financing would need to be through a debt exclusion, and that the city would have to ask for the support of the public in order to do so. He agreed by submitting the SOIs it was placing the city in the queue with the MSBA.

Councilor Memhard suggested that having the shining example of the new West Parish School, it may act as an attractive reason for the city to support a debt exclusion in order to replace its two oldest schools, and that the Administration would be fully behind a debt exclusion. He briefly touched on the fact that as this process moves forward the schools will continue their deterioration, and the timeframe being looked at will perhaps see the city investing in interim measures such as more modular classrooms which costs the city in other ways.

COMMITTEE RECOMMENDATION: On a motion by Councilor Orlando, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council resolve the following:

Resolved: Having convened in an open meeting on _____, 2016, prior to the closing date, the City Council of Gloucester, Massachusetts, in accordance with its charter, by-laws, and ordinances, has voted to authorize the Superintendent to submit to the Massachusetts School Building Authority a Statement of Interest Form dated April 8, 2016 for the East Gloucester Elementary School, located at 8 Davis Street Extension, Gloucester, Massachusetts which describes and explains the following deficiencies and the priority category(s) for which an application may be submitted to the Massachusetts School Building Authority in the future:

MSBA Priority #7: Due to the age and condition of the building, the district is looking to replace or add to an obsolete building in order to provide for a full range of programs consistent with state and approved local requirements.

and hereby further specifically acknowledges that by submitting this Statement of Interest Form, the Massachusetts School Building Authority in no way guarantees the acceptance or the approval of an application, the awarding of the grant or any other funding commitment from the Massachusetts School Building Authority, or commits the City of Gloucester to filing an application for funding with the Massachusetts School Building Authority.

COMMITTEE RECOMMENDATION: On a motion by Councilor Orlando, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council resolve the following:

Resolved: Having convened in an open meeting on _____, 2016, prior to the closing date, the City Council of Gloucester, Massachusetts, in accordance with its charter, by-laws, and ordinances, has voted to authorize the Superintendent to submit to the Massachusetts School Building Authority a Statement of Interest Form dated April 8, 2016 for the Beeman Memorial Elementary School, located at 138 Cherry Street,

Gloucester, Massachusetts which describes and explains the following deficiencies and the priority category(s) for which an application may be submitted to the Massachusetts School Building Authority in the future:

MSBA Priority #7: Due to the age and condition of the building, the district is looking to replace or add to an obsolete building in order to provide for a full range of programs consistent with state and approved local requirements.

and hereby further specifically acknowledges that by submitting this Statement of Interest Form, the Massachusetts School Building Authority in no way guarantees the acceptance or the approval of an application, the awarding of the grant or any other funding commitment from the Massachusetts School Building Authority, or commits the City of Gloucester to filing an application for funding with the Massachusetts School Building Authority.

Note: The Committee Report for the Statements of Interest for East Gloucester and Beeman Memorial Elementary Schools will be presented for a vote of the City Council at a Joint Meeting of the City Council and the School Committee on Thursday, March 24, 2016 at Gloucester High School's Library at 7:00 p.m. by agreement of the Budget & Finance Committee. Upon the vote by the Council on each SOI, the date of March 24 will be inserted in the blank spaces in each motion as recommended to the Council above.

3. *Special Budgetary Transfer Requests from the Mayor's Office - 2016-SBT-11*

Mr. Destino explained that the Mayor, Sick Incentive Pay account is in deficit, and so this transfer will make the account whole. The funds are coming from the Mayor, Contingency/Emergency Account which has adequate funds to cover the \$300.00 needed.

COMMITTEE RECOMMENDATION: On a motion by Councilor Ciolino, seconded by Councilor Orlando, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Special Budgetary Transfer 2016-SBT-11 in the amount of \$300 from Account #101000.10.121.57800.0000.00.000.00.057, Mayor, Contingency/Emergency to Account #101000.10.121.51944.0000.00.000.00.051 Mayor, Sick Incentive Pay, for the purpose of funding Sick Incentive Pay for the Mayor's Office.

4. *CC2016-012 (Ciolino) Election of City Auditor pursuant to the City Charter Sec. 2-7(a)*

Mr. Costa gave the Councilors the excerpt of the city's most recent Annual Report on the Auditor's Department. He reviewed his experience of 16 years in municipal auditing work – as an outside auditor and Deputy City Auditor for the city of Somerville, of which the last six were spent as the City Auditor for Gloucester. He said it is a pleasure to work with the CFO, John Dunn and his staff; CAO, Jim Destino; Principal Assessor Nancy Papows and her staff as well as his own four member staff. He added that during his tenure with the city there has only been one position that's turned over which he said hoped to signify that his staff enjoys working with him. Mr. Costa highlighted some his departmental goals over the past two years as:

- Free Cash was certified October 15 and the tax rate was set on November 20. Previously Free Cash would be certified around Christmas and the tax rate set around Thanksgiving. He said with some upheaval at the Department of Revenue due to staff turnover he will be looking to certify the city's Free Cash early due to that situation.
- The city has a new outside auditor's three year contract which is saving the city \$20,000 a year over the last outside auditor's contract.
- The Auditing Department will enter the CAFR (Comprehensive Annual Financial Report) system which will be an achievement and the city has never gone for that goal. That is part of their audit contract and is included in that contract's cost.
- In the next two years the city will complete its conversion to the Munis financial system. Implementation will go live July 1, 2016. There will be training for city staff on the system which will be live July which is a great opportunity for the city.

Mr. Destino said the Administration offers it support for Mr. Costa's election as City Auditor. He said Mr. Costa is a key member of the city's financial team; that while not a part of it, he works with them every day and is a

huge benefit as part of the team. He said Mr. Costa and his department work cooperatively with all city departments and that Mr. Costa delivers what he asks for. The city is lucky to have him, he said.

Councilor Ciolino recounted some of the history of the Auditing Department for the Committee. He said Mr. Costa has brought the Auditor's Department to a new level of professionalism. He added that his staff members are a cohesive team that works very well together.

Councilor O'Hara offered that his experience with Mr. Costa has been very positive.

MOTION: On a motion by Councilor Orlando, seconded by Councilor Ciolino, the Budget & Finance Committee voted in 3 favor, 0 opposed, to recommend that the City Council, pursuant to the City of Gloucester City Charter Sec. 2-7(a) concerning the election of the City Auditor, elect Kenny Costa as the City Auditor for a term of April 2016 to April 2018.

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

Mr. Costa reviewed with the Committee a report entitled, "Invoice Status Report From 07/01/2015 Thru 02/18/2016" for outstanding city receivables for Gloucester Police Details (on file) along with **Police Chief Leonard Campanello**. **Mr. Costa** noted that the last page shows the Gloucester Police Department's A/R Aging QuickBooks Summary as of February 18, 2016 from FY14 and is why all entries are greater than 90 days which totals \$36,854.85. He advised that most of that total is bad debt as it is older than two years old. This was noted to be from the old Police financial tracking system. He then briefly reviewed the first six pages which are gleaned from the Police Department's new records management system. He pointed out that from this report he found that debt over 45 days totals \$26,742 which he said it isn't that bad, but by the end of the fiscal year the bad debt should be retired.

Chief Campanello asked that the Committee give him until the end of this fiscal year to make a dent in money owed from the Aging Summary. He pointed out that many of the business entities listed as owning funds on the Aging Summary are out of business. He said he wouldn't advise carrying this debt past the end of the current fiscal year. He said the rest of the debt is relatively current, since moving to the new system. Of the \$95,000 in the current report showed as being owed to the Police Department for details, only \$17,800 of that is more than 60 days overdue. He said that his department needs to be more aggressive enforcing the payments. He said they should start enforcing a penalty of 14 percent after 60 days or more, and suggested that court proceedings for some of the older outstanding debt may be appropriate. He cautioned that there is a statute of limitations on some of these older debts. He said he and Mr. Costa talked about some other avenues of debt collection in terms of permitting. He explained that when companies want to pull a permit with the city, it should behoove the department they are applying to check an Aging A/R Report and see if Police details or any other outstanding debt to the city. **Mr. Costa** said what the Chief was referring to was for an entity wanting to pull a permit they would receive what is called a, "Certificate in Good Standing." With that document in hand, then the business entity can have a permit issued and hire the necessary police detail. If a business or contractor is not in good standing with the city, it comes to light and gives that entity an opportunity to erase their city debt so they can be issued a permit, he explained. It's called a certificate of good standing that is issued in order to pull a permit, **Mr. Costa** said.

Councilor Ciolino said that this always seem to be an issue. He recounted there was a system in place where the DPW would not give a permit to open up the street unless contractors were current with the city. He highlighted several business entities on the Invoice Status Report who are currently at work in the city who have unpaid road details going back two years. The system they put in place years ago was that of checks and balances, he said. He pointed out that utility companies always have running balances with the city, but they do pay and that they are essential for must making emergency repairs in the city and is an exception. He said there was a time that these people who owed the city were taken to small claims court. He suggested that city departments once again stop issuing permits for those companies that don't keep current with what they owe the city.

Chief Campanello said it is all about communicating this information to the other departments. **Councilor Orlando** suggested the IT Director, James Pope, could be of assistance in that area as this is something that Mr. Pope is trying to do -- to build an interdepartmental information infrastructure.

Councilor Ciolino asked that the Chief come back to the Committee with an action plan. **Chief Campanello** said the Police Department has to set a good example to the entire city, and they've gotten better at it. The way to stop it is by what he said Councilor Ciolino described. He said that effective as of now his department will make a last push for old debt and put a strongly worded letter out that it is either the entity become current or they will be

faced with small claims court. He said he would contact the DPW Director and other appropriate city departments as well as working with City Hall for better communication.

Councilor Memhard said that it should be a statement that the city's policy is that if there are outstanding obligations for past police details that the particular contractor will be denied any future police details and/or permits until that debt is cleared with the city. **Chief Campanello** advised they have to do this with prudence with an eye to seeing that the city remains a business-friendly environment. It was reiterated by the Chief and the Committee that utilities provide a public service and are an exception as they provide critical repairs to the city's electrical, gas and telecommunications infrastructure.

There was a discussion by the Committee with **Chief Campanello** and **Mr. Costa** on the particulars of the action plan and some thoughts on how to accomplish their goals of getting police detail debts brought current. **Councilor O'Hara** briefly explained the system that Salem employs for police detail payments. **Chief Campanello** said there is a climate of business to be fostered and asked that the Committee give them time to resolve some of this issue and come back with an action plan. **Mr. Costa** said it is communication between departments that will play a key role. **Councilor Memhard** cautioned that they don't want to spend more money than it's worth to collect the outstanding funds.

This matter is continued to July 21, 2016.

Amend Previously Voted Item, Certificate Number 2016-009 on January 12, 2016:

Mr. Costa explained that the item, "Grant Application & Checklist from the Fire Department re: Application for FY15 EMPG Emergency Management Performance grant for \$6,460 (100 percent match required) Council vote had a dollar transcription error contained in it which shows \$6,450. He asked that the Committee vote to correct it, so that it can be remedied with a Council vote on March 22.

MOTION: On a motion by Councilor Orlando, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council accept an amendment to the original grant acceptance approved by the City Council on January 12, 2016 (Certificate Number 2016-009) under MGL c. 44, §53A a U.S. Department of Homeland Security/Federal Emergency Management Agency passed through the Massachusetts Emergency Management Agency (MEMA) Emergency Management Performance Grant (EMPG) in the amount of \$4,640.00. Funds are to be used for the purpose of supporting the City of Gloucester's Emergency Operations Center housed at the O'Maley Innovation Middle School and for Civil Defense training. The grant period for the FFY2015 grant portion is from December 2, 2015 through June 30, 2016.

Note: This matter will come forward to the Council out of the B&F Committee Report on March 22. At that time the Council will suspend its Rules of Procedure in order to take this matter up.

Mr. Costa also briefly discussed his reports on accounts having expenditures which exceed their authorization and the Auditor's Report with the Committee (on file).

A motion was made, seconded and voted unanimously to adjourn the meeting at 6:25 p.m.

Respectfully submitted,

Dana C. Jorgensson
Clerk of Committees

DOCUMENTS/ITEMS SUBMITTED AT MEETING: None.