

**Budget & Finance Committee**  
Thursday, November 3, 2016 – 5:30 p.m.  
1<sup>st</sup> Fl. Council Committee Room – City Hall  
**-Minutes-**

**Present:** Chair, Councilor R. Scott Memhard (entered the meeting at 5:40 p.m.); Councilor Joseph Ciolino; Councilor Joseph Orlando

**Absent:** None.

**Also Present:** Kenny Costa; John Dunn; Nancy Papows; Acting Chief John McCarthy; Harbormaster T.J. Ciarametaro; Karin Carroll; Mary Ellen Lepionka; Deborah Laurie; Dan Smith; Tony Gross

**The meeting convened at 5:35 p.m. Matters were taken out of order.**

**1. Memorandum from Principal Assessor re: Tax Classification Fiscal Year 2017**

It was noted by **Nancy Papows**, Principal Assessor that due to the Triennial Year recertification, and with the Assessors' Department awaiting confirmation from the state on valuations, this matter would need to be continued to the next meeting of the Committee due to the Department of Revenue. She gave a brief report to the Committee on the progress of the Triennial Year recertification to the Committee and an overview of that process. She explained the city received Preliminary Certification of Values on Nov. 1. A public disclosure period follows that in which tax payers can review the proposed assessment which runs from Nov. 4-10. After that date the Assessors will submit more information to the DOR for final certification. Final certification has to be obtained prior to the Council's Tax Classification public hearing. She advised she would reach out to the Council to invite them to schedule time with her to meet individually in order to answer their questions on the city's Tax Classification to prepare them for the upcoming discussion and vote to determine the 2017 Tax Classification rate. She suggested they may be able to move forward with a presentation to the Committee on Nov. 17 and that the Council public hearing could move forward on Nov. 22.

At **Councilor Ciolino's** request, **Ms. Papows** conveyed the following information: Each year there decisions that have to be made on how the community is going to be taxed, and the Council has the ability to decide on the residential factor with approval of the Mayor thereafter. The Council will determine what percent of the levy the various classes of property are taxed and bring into the city coffers through the following property classes: residential, open space, commercial/industrial and personal property. At that time a decision could be made as to the Tax Factor which could be 1.00 percent which means all classes have the same tax burden, or the Council could choose to have a residential tax factor that is different than 1.00 that would shift a portion of the tax burden from one property class to another by adopting a residential tax factor than is different from 1.00. This doesn't change the total amount of tax monies the city can bring in annually, it just decides who is going to pay what portion of the tax monies that will be brought in to the city. She advised that for the last 10 years the Council has held a Tax Factor of 1.06 percent. She then briefly described some of the Tax Classification process to the Committee for the benefit of the new Councilors.

**Councilor Ciolino** noted that businesses pay more at a Tax Factor 1.06 and said he has tried to encourage parity, and suggested this could be the year that the Council may lean towards 1.00, but that the Committee will wait for the figures.

**John Dunn**, CFO, cautioned that they're not talking about the amount of money that will be raised through taxes. He pointed out that the Tax Classification hearing determines who pays what portion of the overall city tax levy and not the amount property owners pay.

This matter is continued to November 17, 2016.

**2. Memorandum from Harbormaster re: request for an ordinance regarding maritime details being conducted appropriately within the city including pay (referred by O&A Committee 10/31/16)**

**Harbormaster T.J. Ciarametaro** reviewed with the Committee his proposal to allow his department to conduct marine details under a new GCO section, 10-87 Harbormaster Patrol Details. Noting he had been approached several times this past summer for maritime details for movie and advertisement filming, maritime events, and marine permits he was unable to respond to contract for that work as there is nothing in the ordinance to allow for such details and to charge for the Harbormaster's Department assets and personnel utilized.

**Councilor Orlando** confirmed that this is like the Police Department details on land in that this covers water related safety details. Harbormaster Ciarametaro confirmed the Police Department vessel does do some maritime details on occasion. **Acting Chief McCarthy** said his department has done maritime details in the past but they have no mechanism to handle this kind of continuous use of their equipment and availability of personnel whereas the Harbormaster has the ability to channel those funds through an Enterprise Fund and can use that money for personnel and maintenance of department assets.

**Harbormaster Ciarametaro** informed the Committee that he has contacted other port communities where he has worked that required a marine detail and confirmed that the proposed rate as shown in the proposed ordinance is consistent with prevailing wage and types of detail work. He advised the dollar amounts he conveyed in the proposed ordinance is an average of a group of communities who provide this service regularly and found the average was between \$60 and \$72 per hour for providing a vessel and one staff member to run the vessel for a detail.

**Councilor Ciolino** advised the proposed ordinance amendment passed O&A who moved it forward and at his request referred it to B&F as it should originally been referred through the Council. He said he wanted a discussion on the billing because road details aren't being paid yet the wages still have to be paid and so the city is left with the deficit. He advised he had asked the Harbormaster to find out how this can be done in order to prevent deficit spending. He said it is a great idea but didn't want another system started that would cause that kind of situation.

**Harbormaster Ciarametaro** said that unlike the Police Department, maritime details will have a contractual agreement prior to the work being conducted. He pointed out for the first time user of this detail, whether a private firm company or a state entity, he would work on an interdepartmental contract that requires half of the detail cost up front within 24 hours before the detail starts. For the bridge work, for instance, as it is a state/MBTA project, such a demand of 50 percent up front would not be part of that particular contract. He pointed out to the Committee that he wasn't saying they would never be stiffed, but a contract is legally binding. He reminded the Committee that unlike the Police Department, he has a Waterways Enterprise Fund, and can use the remainder of the detail money not paid to personnel to support maintenance line items. If the money isn't spent, it falls to the bottom line and results in the Enterprise Fund's free cash the following year. He pointed out that his department does a lot of marine events and some of them should be charged, and he's already paying for personnel and boat wear, and this is in line with the Police Department. **Councilor Ciolino** confirmed with the CFO and City Auditor that the maritime detail payment checks would be made out to the City of Gloucester and **Mr. Costa** explained how he would set up the accounting for this new income stream and how it would be managed going forward.

**Councilor Memhard** asked if there is a set up to take credit cards which would work well for some of the private entities who may want to contact for the Harbormaster's services, although a cost is involved to the city for that service. **Mr. Dunn** said they are working towards that. **Harbormaster Ciarametaro** said that a standard city invoice would be issued. **Councilor Ciolino** cautioned all the bookkeeping needs to be kept current. He shared a concern about that charitable organizations are not billed, mentioning St. Peter's Fiesta. **Harbormaster Ciarametaro** in further discussion with **Councilor Ciolino** mentioned that events like St. Peter's Fiesta and the Schooner Festival are community events that by rights the city should provide this kind of service at no cost, but that he is after the for-profit events, for-profit construction projects, and commercial work. The movie unions require this kind of detail. These entities, be they private, state or federal, try to work with the cities first but if the city can't provide it, they move to private contractors. He said if he finds there are issues down the road, he will come back to amend the ordinance. **Councilor Ciolino** asked how the Waterways Board will be involved. **Harbormaster Ciarametaro** reiterated that maritime detail payments would go back in the budget in a separate account and fall to the bottom line at the end of the year within the Enterprise Fund. He conveyed he spoke with the Payroll Specialist and learned it would be another line item in the payroll account.

**Councilor Orlando** asked what kind of revenue might be expected. **Harbormaster Ciarametaro** said for just this summer given the inquiries for maritime detail services, it would have added up to \$5,000, and with the Blynman Bridge and the Train Bridge construction, it could be over \$30,000, and he predicted that there won't be a shortage of requests for details.

**Tony Gross**, Waterways Board Chair, said the Board gets a budget report at every meeting and keeps an eye on any deficits, and that with a contract they have some legal recourse.

**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 Amend GCO Chapter 10 by ADDING a new section, "10-87 Harbormaster Patrol Details" as follows:**

**"10-87. Harbormaster Patrol Details**

- (a) **The Harbormaster shall have the authority to conduct details for marine events such as but not limited to, bridge construction, movie or commercial work, construction of waterfront property, and marine permitted events requiring a safety/security boat.**
- (b) **The Harbormaster shall charge a fee of \$65.00 per hour for the use of a vessel and one operator. In the event that two operators are required, an additional fee of \$25.00 per hour will be charged to the permittee.**
- (c) **Hourly rates are as follows: 1-4 hours a flat fee of \$260.00; 4-8 hours \$520.00; 8-12 hours \$780.00.**

This matter will be advertised for public hearing.

**3. *Memorandum from Police Chief re: acceptance of a FY17 State 911 Training & EMD Grant in the amount of \$106,656.22***

**Acting Chief John McCarthy** advised the city is in receipt of the annual State 911 Training & EMD/Regulatory Compliance Grant for a total of \$106,656. This is for the emergency medical dispatch and 911 training. The grant is a bit lower than in the past, as a bit of the quality assurance hours have been cut back just a bit. If the volume of calls moves up the department can reapply. There is no match, he said.

**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 accept under MGL c. 44, §53A from the Massachusetts Executive Office of Public Safety and Security, a FY17 State 911 Department Training Grant and Emergency Medical Dispatch/Regulatory Compliance Grant for \$106,656.22. The grant period of this grant is from October 14, 2016 through June 30, 2017.**

**4. *Special Budgetary Transfer Request (2017-SBT-6) from Police Department***

**Acting Chief McCarthy** reviewed that funds are needed to pay a temporary agency, Accountemps for coverage of a staff member out on worker's comp. The rate is \$32/hour all inclusive. He said this should be the last bill to be paid.

**COMMITTEE RECOMMENDATION: On motion by Councilor Orlando, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve Special Budgetary Transfer 2017-SBT-6 in the amount of \$1,184.00 from Account #0121051-511000, Police Administration, Salaries to Account #0121052-520000, Police Administration, Purchase of Services for the purpose of funding the services of a temporary employee through a temporary agency at a rate of approximately \$32.00 per hour inclusive.**

**5. *Memorandum from CFO& Special Budgetary Transfer Request 2017-SBT-7 re: Sewer Enterprise Fund Transfer for Vehicle Leases***

**Mr. Dunn** reviewed for the Committee that the DPW Sewer operations are in "rather desperate" need to replace the current Vactor truck and Vacuum Pump truck as both have reached the end of their useful lives and barely work. Public Works Director, Mike Hale has a quote on the Vactor Truck (on file) of \$419,145 and one on the Vacuum Pump truck of \$166,773 for a total of \$565,918. Both quotes are from Minuteman Trucks, Inc., under a statewide Cooperative Procurement Program. In conjunction with the vehicle quotes, the DPW has a three-year lease proposal that is structured with a \$150,000 down payment followed by three annual payments of \$154,941. The underlying interest rate on the lease (really an installment loan) is 3.29 percent. This is a competitive rate in the current credit market. In order for the lease to move forward, the department must transfer the down payment amount from an ordinary account line within the Sewer Enterprise Fund to a capital account line. While these are leases, they're essentially installment loans, or lease to buy, he said. There are warranties that come with the vehicles, he noted. The truck chassis' are warrantied as are the truck bodies. These trucks last 10-15 years, he noted.

**Councilor Orlando** indicated that during budget season they mentioned a line item on maintenance of a vactor truck, for \$15,000 which equates to 10 percent of the down payment. **Mr. Dunn** said it is not only maintenance of an existing truck but rental of one when the existing truck is down.

**Councilor Ciolino** said this is the third such truck he's been involved in the purchase of. He mentioned reasons why the vector trucks don't have long life, but noted also that the EPA requires storm drain cleaning, and this truck is essential to that.

**COMMITTEE RECOMMENDATION:** On motion by Councilor Orlando, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve Special Budgetary Transfer 2017-SBT-7 in the amount of \$150,000.00 from Account #640052-524009, Sewer Enterprise Fund, R&M Sewer & Water Pump Stations, to Account #640058-585000, Sewer Enterprise Fund, Capital Equipment, for the purpose of funding the down payment of leasing to own for two Vacuum Pump Trucks for use by the Sewer Division.

**6. Grant Application & Checklist from the Public Health Director re: acceptance of a \$6,000 PHEP Grant**

**Karin Carroll**, Public Health Director, conveyed to the Committee that the Public Health Emergency Preparedness (PHEP) Grant has been awarded to the city for \$6,000. This grant is for the purpose of supporting the public health emergency preparedness and response activities throughout the North Shore and Cape Ann for FY17 and supporting a portion of the Grant Accounting Specialist's salary (five hours a week) to ensure continuity in the maintenance of the communications accounts, she explained. She noted there is no match. Gloucester continues to provide the communication function for the entire region involved, she added.

**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 accept under MGL c. 44, §53A a federal grant from the U.S. Department of Health and Human Services passed through the Massachusetts Department of Public Health Office of Preparedness & Emergency Management and the International Institute of Greater Lawrence, Inc. in the amount of \$6,000 for the purpose of supporting the public health emergency preparedness and response activities throughout the North Shore and Cape Ann Coalition for FY2017 and supporting a portion of the Grant Accounting Specialist's salary to ensure continuity in the maintenance of the communications accounts.

**7. Grant Application & Checklist Packet from the Gloucester Historical Commission re: grant to preserve Dogtown as a National Register District**

**Mary Ellen Lepoinka**, Co-Chair of the Gloucester Historical Commission reviewed that the Historical Commission is asking permission to apply for a Survey & Planning Funds Grant through the National Park Service through the Massachusetts Historical Commission in order to Preserve Dogtown as a National Register District for a total of \$20,000. This grant requires the City Of Gloucester to provide a 50 percent match of \$10,000. Dogtown has been declared eligible to be on the National Register of Historic Places, she said. The archeological survey is a required step towards National Registration which involves map making in order to determine the boundaries of the National Registry District and will include as much of Dogtown as possible. She noted that the Rockport Historical Commission is also discussing this matter and that town's Board of Selectmen are anticipated to vote on Nov. 14 to forward a letter of support to the Gloucester Historical Commission's effort, as some of the cultural material resides 'across the border.' She advised that the Mass. Historical Commission is in favor of this effort, she indicated, and that they suggested it. She added that the Dusky Foundation may be a possible private match donor, although grant cycles may dictate the Commission needing to find a way to have the match fronted by a group of several organizations or the city, as it has done previously and then been paid back once the private donations for the match have been received.

**Councilor Orlando** asked if Rockport would be adding financing to this project. **Ms. Lepoinka** said she was not aware that community would provide any funds at all, and advised Rockport is only starting their process. She conveyed that the Commission's match will be for \$9,000 and the Historical Commission will put in \$10,000 and \$1,000 is available in in-kind match which is already in place. She mentioned that representatives of a group of stakeholders, the Dogtown Advisory Committee, the Open Space and Recreation Committee and Cape Ann Trail Stewards have been meeting on this matter to collaborate and coordinate the effort amongst similar interested groups. **Councilor Orlando** asked if there is a preservation restriction could a welcome center be put in place. **Ms. Lepoinka** said they could and discussed briefly with him some of the legalities of National Register parameters.

**Councilor Ciolino** mentioned that once this area is placed on the National Register would permanently remove the property from ever being developed. **Ms. Lepoinka** advised that was not necessarily the case. She indicated

that National Register status doesn't involve design review, and would only kick in if they applied for state or federal funding in the future to do something in Dogtown, and then they'd be ask to determine if it would possibly degrade the historical veracity of the parcel. She suggested in future there could be a preservation restriction for Dogtown so things can't be developed there. She pointed out that the city has some interest with portions of the Dogtown parcel and that a complete preservation restriction wouldn't necessarily work—there are city watershed areas in Dogtown that will need permanent access, and have the ability to be upgraded and improved. National Register status will not impact that ability in any way, she assured the Councilors.

At the prompting of **Councilor Memhard, Ms. Lepoinka** discussed briefly some of the planned activities for Dogtown to improve public accessibility.

**Councilor Ciolino** noted they're looking for a grant for \$20,000 with a required 50 percent match. **Ms. Lepoinka** said that CPA applications are out of sync with the funding cycle for them and won't be able to reach out for that funding possibility until the next funding cycle, but she mentioned several private entities who are interested in helping to provide the match. She discussed the mechanisms for funding the match with the Committee, and added that in the past two years, they've received the grants with 50 percent reimbursement and the city has fronted the funding overall, and upon receipt of the private donation match funding, the city has been reimbursed, which **Kenny Costa**, City Auditor confirmed. He pointed out this is permission to apply, not an acceptance for a grant.

**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 permit the Gloucester Historical Commission to apply for Survey & Planning Funds Grant through the National Park Service through the Massachusetts Historical Commission in order to Preserve Dogtown as a National Register District for a total of \$20,000. This grant requires the City Of Gloucester to provide a 50 percent match of \$10,000. The local match funds are to be provided through private donations and a Community Preservation Act application.**

8. *CC2016-048 (Orlando) Amend GCO Sec. 4-16 (d) "Off-leash dog areas" subsection (b)(2) by adding a new subsection "(m) Dog Park "pooch pass" certificate for non-residents & amend Sec. 1-15 "Penalty for violation of certain specified section of code"*

**Councilor Orlando** asked that this matter be continued to December 8, 2016.

This matter is continued to December 8, 2016.

9. *Memorandum from Community Development Director & Senior Project Manager regarding recommendations from the Community Preservation Committee for Round 7, FY2017 Funds --Committee discussion for the purpose of scheduling applicants to appear before the B&F Committee*

**Debbie Laurie**, Senior Project Manager with the Community Development Department, and reviewed briefly that there are 14 applicants for funding in Round 7 for FY16 Community Preservation Act funds which total \$463,141. She worked with the Committee to schedule the applicants to come before the Budget & Finance Committee, and the schedule is as follows:

Project #	APPLICANT	PROJECT PURPOSE	CPA CATEGORY	RECOMMENDED Amount	Scheduled w/B&F
1	North Shore CDC	Harbor Village, 30 Unit Affordable Rental Proj.	Community Housing	\$125,000	01/19/17
2	Cape Ann Amateur Radio Association (CAARA)	Preservation of Wheeler School & GFD Riverdale Hose #6 @ 6 Stanwood Street	Historic Resource	\$26,174	12/8
3	Mt. Pleasant Cemetery Assoc.	Mt. Pleasant Civil War Monument	Historic Resource	\$2,000	12/8

4	Generous Gardeners, Inc.	Stacy Boulevard Gardens	Recreational	\$20,400	12/8
5	Stage Fort Park Advisory Committee	Welcome Center Restoration	Historic Resource	\$16,000	12/8
6	Community Development Department	Stage Fort Park Beautification Project	Open Space	\$75 (bonding for \$175,000)	12/8
7	City Clerk's Office/Archives Commission & Historical Commission	City Clerks/Archives Initial Storage Project, Phase 1	Historic Resource	\$11,030	01/05/17
8	Oak Grove Cemetery	Oak Grove Cemetery continued restoration	Historic Recourse	\$15,000	01/05
9	Gloucester Committee for the Arts (FCFTA)	Refined project scope to preserve & restore schedules of work	Historic Resource	\$35,000	01/05
10	Historic New England, Beauport Museum	Wood Shingle Roof Replacement for outer buildings	Historic Resource	\$8,250	01/05
11	Sargent Museum	Preservation of museum porch, granite steps, retaining wall & sign	Historic Resource	\$3,200	01/05
12	Gloucester Writers Center	Preservation of Maud/Olson Library & GWC Archives	Historic Resource	\$10,000	01/19
13	Maritime Gloucester	Rehab & Restoration of rails & winch of the railway	Historic Resource	\$62,087	01/19
14	Friends of Burnham Field	Continued rehab of Phase 1 of Burnham's Field Restoration	Recreational	\$54,000	01/19

**Ms. Laurie** noted three applications that were denied by the Community Preservation Committee (CPC) which she briefly touched on with the Committee.

The Committee also asked that Ms. Laurie provide the Committee with information as to where the North Shore CDC is in the state funding process before their appearance at B&F to review their application for CPA funding.

This matter will next appear on the December 8, 2016 B&F Committee Agenda.

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

A. City Auditor's Report: **Mr. Costa** reviewed his reports with the Committee (on file).

B. Update on status of hiring a new Assistant City Auditor

**Mr. Costa** reviewed there were 22 applicants in all for the position of City Auditor with determination of three candidates. He thanked the Council Search Committee and the Personnel Director for their assistance. He introduced **Amit Chhayani**, the new Assistant City Auditor, and reviewed briefly reviewed his background, saying that Mr. Chhayani was a very talented and experienced municipal auditor having worked for the City's outside auditor.

**Mr. Chhayani** conveyed he attended Suffolk University graduating in 2014 and worked for a consulting firm for a year and then for Roselli & Associates thereafter for the last year and a half. He said he is young and driven and wants to work with Mr. Costa who he indicated will be a good mentor.

**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 appoint Amit Chhayani as Assistant City Auditor, TTE 04/30/18.**

As Mr. Chhayani was starting the day after the B&F Committee Chair would ask the Council to vote to reconsider after the Council confirms Mr. Chhayani's appointment as he needs to start his city employment on Tuesday, Nov. 8.

**Mr. Costa** mentioned that Free Cash was certified for \$2.2 million on the General Fund after sequestering the monies for the city's Stabilization Funds per the agreed upon percentages, which he said was very good. The FY16 books, he pointed out, are officially closed. **Mr. Dunn** added that in the upcoming Mayor's Report there will be detailed information and Supplemental Appropriations that will provide the complete picture on the Certified Free Cash.

B. Update on status of labor negotiations between the city and its unions

**Mr. Dunn** reviewed the above-named matter briefly with the Committee saying that the GMAA Memorandum of Agreement is anticipated to be signed in a few days. Meetings next week are scheduled for both ASFME units, he advised, with the last to be Police unions and the Fire union. He discussed some of the particulars of the GMAA contract with the Committee along with the city's negotiating philosophy moving forward with the five remaining union contracts. Meetings next week are scheduled for both ASFME units, he advised, with the last to be Police and Fire unions.

**A motion was made, seconded and voted unanimously to adjourn the meeting at 7:30 p.m.**

**Respectfully submitted,**  
*Dana C. Jorgensson*  
Clerk of Committees

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