

**Budget & Finance Committee**  
Thursday, January 19, 2017– 5:30 p.m.  
1<sup>st</sup> Fl. Council Committee Room – City Hall  
**-Minutes-**

**Present:** Chair, Councilor Scott Memhard; Councilor Joseph Ciolino; Councilor Joseph Orlando

**Absent:** None.

**Also Present:** Councilor Cox (left at 6:00 p.m., returned at 6:22 p.m. and left at 7:22 p.m.); Jim Destino; Kenny Costa; Interim Police Chief John McCarthy; John Dunn; Debbie Laurie; Dan Smith; Fire Chief Eric Smith; Chris Sicuranza

The meeting convened at 5:30 p.m. Matters were taken out of order.

**1. *Special Budgetary Transfer 2017-SBT-11 from Police Dept.***

**Interim Police Chief John McCarthy** explained that this is to obtain another cruiser and while budgeted for, the price went up by the amount of the transfer

**COMMITTEE RECOMMENDATION:** On motion by Councilor Orlando, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, opposed to recommend that the City Council approve Special Budgetary Transfer 2017-SBT-11 in the amount of \$341.35 from Account #0121152-524033, Police Uniform, R&M Software Maintenance to Account #0121158-585001, Police Uniform, Vehicles, for the purpose of funding the first lease payment of a new Police cruiser.

**2. *Special Budgetary Transfer from Mayor's Office 2017-SBT-13***

**Jim Destino**, CAO, advised that the city had signed in December 2016 Memorandums of Agreements (MOAs) by AFSCME Units A & B. It was noted that because the city is currently conducting a classification study of all positions within the two AFSCME units, it was decided the MOAs would cover a one-year period from July 1, 2016 to June 30, 2017 and will reassess at that time the city receives the results of the study. The MOAs affect about 150 current and former employees and agrees to a 2.0% cost of living (COA) increase for FY17. Total salary adjustments for all affected current and former employees are \$125,614.06. Of that, \$94,554.73 is for salaries or portions budgeted in the General Fund. Funds were set aside in the budgeting for the Personnel Department in FY17. Again, as with the GMAA contract settlement transfers (see 01/05/17 B&F minutes), the Administration will not be taking any action at this time for Grants and Enterprise Fund employees yet as there appears to be sufficient flexibility to absorb salary adjustments. If they can't manage those budgets and absorb the additional 2% for the rest of the year, they will come back to the Council, but at this time it is the Administration's position that it should be able to be handled within the Enterprise Funds and Grants Funds. **John Dunn**, CFO, said if the Administration returns to B&F for further transfers, it would likely affect the utility Enterprise Funds only.

**Councilor Orlando** noted there are some big ticket portions within the sub-accounts, such as for the Public Works Department. Both Mr. Destino and Mr. Dunn conveyed as the DPW is a bigger department that portion of the overall transfer is larger...

**Councilor Ciolino** asked if there was enough from the sequestering in the Personnel Department account to cover these contracts yet to settle and **Mr. Dunn** said should nothing catastrophic happen the city will be covered.

**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 approve the following Special Budgetary Transfer for the purpose of funding the salary increase to the American Federation of State, County & Municipal Employees (AFSCME) members resulting from the settlement of the AFSCME A & B units' contracts for a total amount of \$94,554.73:

**2017-SBT-13:**

**From:** Account #0190151-517003, Health Insurance Expenses - \$94,554.73

**To:** Accounts as presented below:

<b>Dept.</b>	<b>Account #</b>	<b>Annual</b>
Mayor	<b>101000.10.121.51100.0000.00.000.00.051</b>	<b>\$1,011.36</b>
	0112151-511000	\$1,011.36
City Auditor	<b>101000.10.135.51100.0000.00.000.00.051</b>	<b>\$1,114.47</b>
	0113551-511000	\$1,114.47
Assessors	<b>101000.10.141.51100.0000.00.000.00.051</b>	<b>\$1,715.21</b>
	0114151-511000	\$1,715.21
Treasurer/Collector	<b>101000.10.145.51100.0000.00.000.00.051</b>	<b>\$3,452.26</b>
	0114551-511000	\$3,452.26
Treasurer/Collector	<b>101000.10.145.51200.0000.00.000.00.051</b>	<b>\$490.68</b>
	0114551-512000	\$490.68
Legal	<b>101000.10.151.51100.0000.00.000.00.051</b>	<b>\$1,419.84</b>
	0115151-511000	\$1,419.84
Personnel	<b>101000.10.152.51100.0000.00.000.00.051</b>	<b>\$2,247.21</b>
	0115251-511000	\$2,247.21
City Clerk	<b>101000.10.161.51100.0000.00.000.00.051</b>	<b>\$1,593.48</b>
	0116151-511000	\$1,593.48
City Clerk	<b>101000.10.161.51250.0000.00.000.00.051</b>	<b>\$292.15</b>
	0116151-511300	\$292.15
Registration	<b>101000.10.163.51100.0000.00.000.00.051</b>	<b>\$968.31</b>
	0116351-511000	\$968.31
Zoning Board	<b>101000.10.176.51250.0000.00.000.00.051</b>	<b>\$356.58</b>
	0117651-511300	\$356.58
Community Development	<b>101000.10.181.51000.0000.00.000.00.051</b>	<b>\$397.14</b>
	0118151-511000	\$397.14
Community Development	<b>101000.10.181.51100.0000.00.000.00.051</b>	<b>\$931.77</b>
	0118151-511000	\$931.77
Police Admin	<b>101000.10.210.51100.0000.00.000.00.051</b>	<b>\$1,784.37</b>
	0121051-511000	\$1,784.37
Police Uniform	<b>101000.10.211.51250.0000.00.000.00.051</b>	<b>\$100.00</b>
	0121151-511300	\$100.00
Police Investigation	<b>101000.10.218.51100.0000.00.000.00.051</b>	<b>\$853.68</b>
	0121851-511000	\$853.68
Police Parking	<b>101000.10.218.51250.0000.00.000.00.051</b>	<b>\$466.90</b>
	0121851-511300	\$466.90
Fire	<b>101000.10.220.51100.0000.00.000.00.051</b>	<b>\$694.26</b>
	0122051-511000	\$694.26
Inspectional Services	<b>101000.10.241.51100.0000.00.000.00.051</b>	<b>\$2,850.12</b>
	0124151-511000	\$2,850.12
Police - Animal Control	<b>101000.10.292.51100.0000.00.000.00.051</b>	<b>\$1,951.68</b>
	0129251-511000	\$1,951.68
Shellfish Control	<b>101000.10.296.51100.0000.00.000.00.051</b>	<b>\$1,064.88</b>
	0129651-511000	\$1,064.88
Shellfish Control	<b>101000.10.296.51250.0000.00.000.00.051</b>	<b>\$436.39</b>
	0129651-511300	\$436.39
DPW - Engineering	<b>101000.10.411.51100.0000.00.000.00.051</b>	<b>\$316.81</b>
	0141151-511000	\$316.81
DPW - Admin	<b>101000.10.421.51100.0000.00.000.00.051</b>	<b>\$469.64</b>

	0142151-511000	\$469.64
DPW - Public Property	<b>101000.10.470.51100.0000.00.000.00.051</b>	<b>\$15,838.90</b>
	0147051-511000	\$15,838.90
DPW - Facilities	<b>101000.10.472.51100.0000.00.000.00.051</b>	<b>\$33,801.58</b>
	0147251-511000	\$33,801.58
DPW - Facilities	<b>101000.10.472.51250.0000.00.000.00.051</b>	<b>\$373.07</b>
	0147251-511300	\$373.07
DPW - Other	<b>101000.10.499.51100.0000.00.000.00.051</b>	<b>\$1,885.69</b>
	0149951-511000	\$1,885.69
Public Health	<b>101000.10.510.51100.0000.00.000.00.051</b>	<b>\$2,536.03</b>
	0151051-511000	\$2,536.03
Public Health	<b>101000.10.510.51250.0000.00.000.00.051</b>	<b>\$122.06</b>
	0151051-511300	\$122.06
Council on Aging	<b>101000.10.541.51250.0000.00.000.00.051</b>	<b>\$1,182.23</b>
	0154151-511300	\$1,182.23
Veterans	<b>101000.10.543.51100.0000.00.000.00.051</b>	<b>\$931.77</b>
	0154351-511000	\$931.77
Library	<b>101000.10.610.51100.0000.00.000.00.051</b>	<b>\$10,899.21</b>
	0161051-511000	\$10,899.21
Library	<b>101000.10.610.51250.0000.00.000.00.051</b>	<b>\$5.00</b>
	0161051-511300	\$5.00
	<b>Grand Total</b>	<b>\$94,554.73</b>

### 3. *Supplemental Appropriation-Budgetary Request from Treasurer/Collector's Office 2017-SA-15*

**Mr. Dunn** advised that the motor on the main patrol boat now has almost 3,000 hours on and needs to be replaced as it has outlived its useful life. This is not something that can be absorbed by the Harbormasters' budget, he noted. **Harbormaster T.J. Ciamartaro** said the 23 ft. Parker is the main patrol boat and the motor is breaking down, costing too much to maintain and operate. GSA pricing of \$16,290 versus the manufacturer suggested retail pricing of \$16,290 makes the GSA pricing appropriate for procurement for an Evinrude motor which he said in his estimation is the best for the heavy usage the boat gets, in particular for towing and other such duties they undertake. There is an additional \$5,960 needed to outfit and rig the new motor on the patrol boat. It was noted the quote was good through Jan. 15. The price is \$10,000 off MSRP. Brown's Yacht Yard, a GSA vendor, came in the least expensive, and this is federal pricing, he pointed out. Because the Harbormaster's use is a considered a commercial use, it would be a shorter warranty. The outboard is very fuel and oil efficient, he explained, and overall is the best possible piece of equipment the department can procure for the main patrol boat.

**Councilor Ciolino** said that in an emergency there are expectations for emergency services –a police car always has to run, as does any piece of fire equipment to respond immediately, and the same applies to the Harbormaster's equipment. He noted that while this appears to be a great expense, it is necessary. He added that it is a credit to the Administration to bring this forward.

**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 Supplemental Appropriation 2017-SA-15 in the amount of \$22,250.00 (Twenty Two Thousand Two Hundred Fifty Dollars) from the General Fund-Undesignated Fund Balance ("Free Cash"), Account #0001-359000 to the Enterprise Fund-Waterways, Equipment, Account #700058-585000 for the purpose of purchasing a new outboard motor for the Harbormaster's Department main patrol boat.**

### 4. *Supplemental Appropriation-Budgetary Request from Treasurer/Collector's Office 2017-SA-16*

**Harbormaster Ciarametaro** explained that his department truck is in need of repairs due to it being struck while parked in the parking lot at the office; the tires are almost bald, and the main patrol boat repairs need to be completed in the off season before the spring/summer boating season starts. He noted that the cost is: \$1,000 for

new truck repairs—the \$1,000 is covering the insurance deductible; \$2,500 for fiberglass repairs on the main patrol boat, and \$1,000 for new truck tires. These expenditures from the Waterways Enterprise Fund were unanimously endorsed by the Waterways Board. He advised it is hoped to develop a regular routine maintenance schedule on the main patrol boat and other department assets so that these kinds of fixes to their assets don't crop up in this manner especially during the summer months, noting the main patrol boat was down for seven days last summer.

**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 Supplemental Appropriation 2017-SA-16 in the amount of \$4,500.00 (Four Thousand Five Hundred Dollars) from the Enterprise Fund-Waterways, Undesignated Fund Balance, Retained Earnings (“Free Cash”), Account #7000-359000 to the Enterprise Fund-Waterways, Equipment, Account #700058-585000 for the purpose of truck and boat repairs and the purchase of new truck tires for the Harbormaster’s Office.**

**5. Supplemental Appropriation-Budgetary Transfer from Treasurer/Collector’s Office 2017-SA-17**

**Fire Chief Eric Smith** reported that a vital piece of the Department’s communication equipment has failed – the main transmitter/repeater mounted at the Blackburn Industrial Park. This piece of equipment, a radio transmitter/repeater will cost approximately \$13,700 to replace with a new unit. As there are no available funds for such an equipment purchase in the Department’s budget, it has been recommended that the transfer come from General Fund Free Cash. The equipment is waiting for approvals to be purchased and installed. He advised that this is a critical piece of equipment and that it must be replaced. The vendor cut the price of the realignment piece of the installation by quite some bit, he noted.

**Councilor Orlando** asked if portable radios have to be replaced. **Chief Smith** said that radios don't have to be replaced. He briefly explained how a transmitter/repeater works to the Committee at **Councilor Ciolino**'s request. Chief Smith noted that the vendor is in the process of helping the Department put together a capital maintenance plan for their communications system. Typically a repeater/transmitter has a life expectancy of 15 to 20 years but because of the salty coastal environment it is expected to last 10-15 years.

**Councilor Ciolino** said this is a lifesaving piece of equipment and is necessary.

**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 Supplemental Appropriation 2017-SA-17 in the amount of \$13,700.00 (Thirteen Thousand Seven Hundred Dollars) from the General Fund-Undesignated Fund Balance (“Free Cash”), Account #0001-359000 to the Fire Department, Equipment, Account #0122058-585000 for the purpose of purchasing a new Codan 100 Watt VHF Analog Repeater to replace a failed unit in the Fire Department.**

**6. Supplemental Appropriation-Budgetary Request from Treasurer/Collector’s Office 2017-SA-18**

**Mr. Dunn** reported that during the recent salvage of the F/V Blue Ocean off of Niles Beach, the Harbormaster contracted with Marine Solutions LLC to first try and refloat the vessel and then, when that failed, to get it out of the water and up onto Niles Beach. The cost for these services came to \$29,000. It was agreed when it was decided the city needed to act to remove the unmoored vessel that the city would cover the costs of salvage incurred and charge it to the Waterways budget through an appropriation from General Fund free cash as reimbursement to the Waterways Board as the owner of the vessel didn't have available funds to pay for it.

**Harbormaster Ciarametaro** reviewed that he worked every angle to resolve this issue as inexpensively as possible. He noted this situation had been almost a five year ordeal with this boat and owner. He reviewed the several avenues through the Mayor’s office to find federal relief funding to underwrite the costs, and got permits to salvage the vessel but couldn't scuttle it because it effectively sank before that could occur. To avoid debris issues, the decision was to tow the boat onto Niles Beach and then dismantle it there. The boat was disposed of properly with no environmental issues and the beach was thoroughly cleaned, he reported. He pointed out that the city needed to pay the vendors as those vendors stopped what they were doing to help the city, and that it was appropriate to pay them immediately – maintaining good relations with these vendors will be important should another similar emergency occur and he needs their help once again. This transaction, he said, has left nothing in his budget.

**Councilor Ciolino** asked if this could reoccur and is does this leave the city open to this issue again.

**Harbormaster Ciarametaro** said the owner is responsible for this boat and didn't have the financial means to do this

salvage. They have filed with the Coast Guard that this owner can never register or document a boat again. The boat could have been left on the beach, he informed the Committee, but it wouldn't have been the right thing to do. Even if they required insurance on moorings through his office, he pointed out that this boat was riding on its own anchor in a federal water sheet. He advised that there isn't a good way to approach this, having spoken to many maritime lawyers even reaching out to the U.S. Coast Guard JAG unit for their legal advice. Other than garnishing wages through a court the funds can't be recovered. Councilor Ciolino expressed he wanted to see the city pursue that avenue or any other whether the city receives reimbursement through those actions or not because in the long-term this will happen again.

**Councilor Memhard** conveyed that many people on the city's waterfront say that it sets the poor example if the city doesn't go after the funds from the owner, at least by garnishment, especially if the boat's owner has some source of income, and/or is employed, even if the result is a token amount. **Harbormaster Ciarametaro** expressed his wholehearted agreement with the Councilor's opinion, and explained it's up to the Mayor's Office and the city's General Counsel to pursue those avenues. **Chris Sicuranza**, Director of Communications & Constituent Services said there has been a lot conversation with the city's federal and state legislative delegation to pursue more action and support around this issue. There is not a clear policy on maritime law around the issue, he noted and said that the Administration is pursuing the support of Senators Warren and Markey, alluding to a visit by Sen. Warren at the end of January, about abandoned vessels because it is an unusual set of circumstances between a municipality and federal maritime laws. As a result, he said, you need state and federal partners to navigate around the unique issues surrounding abandoned vessels. It is a growing issue and the Mayor is working to get other coastal cities to align on this, particularly New Bedford, work with the state legislators first, and then join the city's federal partners to help resolve the issue. He said the Mayor's Office will continue to move forward on this front. This is an issue and exposure that won't go away, **Councilor Memhard** pointed out.

**Councilor Cox** asked if there is any means to pursue legal action on the city level for the cost of the clean-up. **Mr. Dunn** said they had a conversation with the General Counsel and it something the city could pursue. While it may be pennies on the dollar any funds garnered through legal means would make a statement, he added.

**Councilor Cox** said this is a precedent the city must set now.

**Councilor Orlando** said this is likely a state/civil claim between the city and boat owner and has nothing to do with maritime law on a federal level. He discussed the options briefly and suggested the judgement would be simple and quick. **Mr. Destino** expressed his agreement of the Councilor's assessment. **Councilor Memhard** added that the intent should be clear so that the city sets an appropriate precedent. **Harbormaster Ciarametaro** noted that there were thousands of dollars of fines accrued with his office by this particular boat owner, and that he would have forgiven much of them had the owner gotten the boat out of the city's municipal waterways by June 1, 2016, which he agreed to with the boat owner, his lawyer and the court system, but that went by the wayside when the boat sank. He said if the city sets this precedent, then people will know if their boat sinks and they choose to walk away, there are consequences.

**Mr. Destino** noted proactively the city can work to ensure that moorings under the city's purview are secure; if a boat is in trouble they see it removed; and that a policy needs to be put in place before such things happen and is very important. **Harbormaster Ciarametaro** advised he reached out to the Captain of the Port of Boston to meet with the Mayor's Office, in late Jan. or early Feb., to discuss that at least before something happens that the pollution portion is taken care of which is something she can order as a Captain of the Port -- that if a boat sinks it doesn't cause an environmental disaster inside the city's waterways. He added that if a boat was floating and the owner asks for help, the Harbormaster's Department could have been rid of the boat for about \$5,000 to \$7,000, and that a disaster fund could handle such an issue which is cheap money relative to what they are dealing with now when a boat sinks. That is a policy they have to make, he explained.

**Councilor Orlando** said it is also a matter of enforcement. **Mr. Destino** suggested that the Waterways Board look into a policy that if a boat owner hasn't paid a bill, and the city knows the boat has to be removed, that a policy be adopted that says that the city will take it and scuttle it, and that at the same time that matter would be referred to the Legal Department to pursue any avenue to recover costs associated with the scuttling. The Harbormaster advised that this is the second boat that has sunk on his watch but the other one was in a federal anchorage.

**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 Supplemental Appropriation 2017-SA-18 in the amount of \$29,900 (Twenty Nine Thousand and Nine Hundred Dollars) from the General Fund-Undesignated Fund Balance ("Free Cash"), Account #0001-359000 to the Enterprise Fund-Waterways, Contingency/Emergency, Account #700052-578001 to cover the costs of the salvage of the F/V Blue Ocean.**

7. *Addendum to Mayor's Report re: Survey and Planning Grant Application for defining Dogtown as a National Historic Register District*

**This matter was for informational purposes only and is on file.**

8. *Memo from City Auditor regarding accounts having expenditures which exceed their authorization & Auditor's Report and other related business*

**Mr. Costa** reviewed his report with the Committee (on file) briefly.

9. *Memorandum from Community Development Director & Senior Project Manager regarding recommendations from the Community Preservation Committee for Round 7, FY2017 Funds:*

A. Gloucester Writers Center	Historic Resource	\$10,000
<i>Preservation of Maud/Olsen Library &amp; GWC Archives</i>		

**Henry Ferrini**, representing the Gloucester Writers Center said that the Center (GWC) was asking for support for the conservation and cataloging of historic materials from the Maud/Olsen Library, located at 108 East Main Street, and is considered the world's most complete archive of Gloucester Poet Charles Olsen's source material. This funding will allow the GWC to make the collection available to the public through this conservation and cataloging. The collection is now entrusted to the stewardship of the GWC and is housed at 108 East Main Street. This is largest Charles Olsen library now in the world. He explained in some detail about the donor and the extent of the Maud collection, how this collection will be cataloged benefitting scholars. He said that for Gloucester it will make the city more of a literary hot spot. Olsen Collections are only housed in several other prestigious colleges, but nowhere nearly as extensive as that which is housed at the GWC now.

**Councilor Memhard** asked how the GWC is leveraging this CPA fund request. **Mr. Ferrini** referring to the GWC application (on file), said the GWC has been proactive in raising money, and the CPA funding is only one source of the Center's overall funding.

**Councilor Orlando** asked if the GWC is accessible to tourists and that the public can visit. **Mr. Ferrini** said the Center is open two days a week. A major benefit of this funding is that the extensive collection will be able to be made available on line as a resource people can use for anyone interested in Charles Olsen, he added. He also pointed out the many writers' forums and events held at the Center open to the public.

**John Feener**, CPC member representing the Conservation Commission, added that the expansion of classroom education for city students was a key element to his support of the GWC application.

**Councilor Memhard** said this is a nice compliment to what is happening at the GWC and mentioned the T.S. Eliot House moving forward which will make the city a, "literary magnet;" to which **Mr. Ferrini** concurred.

Site Visit: None.

B. Maritime Gloucester	Historic Resource	\$62,087
<i>Rehabilitation &amp; Restoration of rails &amp; winch of the railway</i>		

**Tom Balf**, Director of Maritime Gloucester (MG), explained the following: that this project entails necessary repairs, recommended and other necessary measures to ensure the at the railway can continue to haul traditional wooden schooners such as the Ardelle and Schooner Adventure, which both call Maritime Gloucester home. Since Maritime Gloucester was formed 16 years ago, a number of repairs have been made to keep the railway operational as this is the oldest continuously running marine railway in the country built in 1849-1850. A great advantage of the railway is the MG partnership with Schooner Adventure which docks at the MG pier, and that organization would like to haul out on MG's railway but the railway wouldn't likely support it now in its current condition. At this time there is a \$30 million remediation project being undertaken in and around the MG water sheet which makes it a challenge for them but presents an opportunity to clean up their site of some heavy metal contamination associated with boat repairs over the years and to examine and repair the railway. National Grid (NG) has been supportive of MG's efforts. Mechanical dredging around the railway was done just last week and divers doing the hydraulic suction dredging around the structures of the railway to remove contaminated materials exposed the sheave assembly and the outer parts of the railway that haven't been worked on in over 160 years. Underwater black and

white copies of photos of the sheave and fittings were given to the Committee (placed on file) and described the photos to the Committee. Timbers underneath are deemed to be solid which was the greatest concern. The repairs need to be accomplished to assure that before the 200+ ton Adventure can be hauled that the winch can do its job.

These are necessary and cost effective repairs to the sheave and railway which benefits the community's maritime heritage, and the ability of MG to add their educational mission to the endeavor, **Mr. Balf** concluded.

**Don Boyer**, Marine Engineer and volunteer with Maritime Gloucester, added the railway was constructed at the turn of the last century and that this is the first opportunity to look at some of these critical pieces of the railway. He said they are in good shape to take an opportune time to haul out the sheave, make some critical repairs and put the railway back into functional order to continue the mission statement of Maritime Gloucester. A viewing platform is being constructed out of reclaimed wood for visitors to see actual ongoing boat repairs.

Responding to a question from **Councilor Memhard**, **Mr. Balf** noted that Schooner Adventure would like to haul out this fall. The site will be returned to MG by National Grid in May 2017. MG's viewing platform has just received a Chapter 91 license, and are pursuing grants through the federal and state government to assist in this repair project, he advised.

**Councilor Orlando** asked where the rest of the money will come from to complete the repair project. **Mr. Balf** said there are still outstanding requests from other foundations and a major gift initiative.

Responding to comments by **Councilor Memhard**, **Mr. Balf** remarked that the educational aspect of this project and the partnership with Schooner Adventure which makes this a community project.

**Councilor Ciolino** briefly discussed the reconstruction of the old saw mill within the Maritime Center noted to have also funded with some CPA monies.

Site Visit: None.

C. Friends of Burnham's Field	Recreational	\$54,000
<i>Continued rehabilitation of Phase 1 of Burnham Field's Restoration</i>		

**John McElhenny**, representing the Friends of Burnham's Field (Friends), explained that the Friends would like to complete the renovations of Burnham's Field from Phase 1. The renovations have been a great success, he advised, saying that five years ago Burnham's Field wasn't a place families could send their children to play -- it was a scary place with facilities in poor condition and ill lit. He said thanks to Councilor Cox and the neighbors the Field has started to come back due to the recent renovations with two new playgrounds, new backstops, a water feature, gardens, an extensive paved walkway, seating for bleachers. This proposed project is continuing that progress and momentum, he said, explaining that in order to finish the project the Friends would complete the walking path loop of 370 feet with asphalt inside the fence along Burnham Street which is heavily used by seniors and children, add three lights to the field (five lights are there now). The lights have made the field safer, he noted. The funding has been leveraged to obtain other funding involve other volunteer groups like Backyard Growers that is expanding the Burnham's Field gardens. Generous Gardner's made donations of planted pots that are planted with perennials; a resident donated a new park bench, trees and a picnic table. An ice rink was privately donated by Beauport Financial Services, he noted. The city has been a wonderful partner but they can't do everything, he advised.

**Councilor Ciolino** said that Councilor Cox and the Friends have done a great job. He said the ownership of the fence on the Liberty Street side remains at issue and suggested that another CPA request could be made to replace that fence in the future which would be a good use of the money to which Mr. McElhenny agreed that the fence is a, "hodgepodge" making it rather unsightly.

**Councilor Orlando** said the Friends have done a great job and that he enjoys the park with his young son.

**Councilor Memhard** said based on the density of the neighborhood it is a wonderful place for families to enjoy. **Mr. McElhenny** said given that the Field's immediate neighborhood is the lowest income demographic in the city that this is some folks' front and backyard so to speak and that the Field is heavily used. He noted there will be an effort to plant more trees, hold outdoor movies and move forward with other efforts to expand the use of the Field.

Site Visit: None.

**Dan Smith**, Community Development Director conveyed he has a conflict of interest under MGL c. 268A with this next project having been named to the Action, Inc., Board of Directors.

D. North Shore CDC Community Housing \$125,000  
*Harbor Village, 30-unit Affordable Rental Housing Project*

**Ilene Vogel**, Senior Project Manager with North Shore CDC (Community Development Coalition noted as NSCDC throughout) joined by **Peggy Hegarty-Steck**, Executive Director of Action, Inc., both members of the Limited Liability Company formed for the Harbor Village project (LLC) were present (project located at 206 Main Street). **Ms. Vogel** explained that: Last summer the North Shore CDC project received its comprehensive permitting which allows them to apply for state funding of the project that takes a couple of years through an extremely competitive process. The project went through an extensive ZBA permitting process and community meetings which resulted in changes to enhance the affordable housing project. Some of those suggestions led to a design for an outdoor deck space for tenants as well as using a brick façade facing Main and Elm Streets. It was noted that a brick façade has contributed to the cost of the project and was why the NSCDC is asking for \$125,000. The façade's overall cost is estimated at about \$375,000 by a NSCDC contractor. There was \$10,000 which was funded from the Affordable Housing Trust is restricted to offset the cost of the brick façade. The Harbor Village project is estimated at \$8 million overall. The project is applying for state and federal funding. The Department of Housing Community Development (DHCD) goes through the project budget line by line and is critical about costs. The state won't fund the brick façade or air conditioning as it is considered an "extra." The NSCDC and Action, Inc. are both non-profits -- to come up with funding for the extras is difficult, but yet they want to make something that lasts and is maximizing every dollar which is why the \$125,000 is very important. In speaking to the DHCD and state funding process it was reiterated that it is a highly competitive process for the funding for such affordable housing projects of which NSCDC is competing with many, many other Mass. community entities. The DHCD looks at the project but also looks at the city as to whether they are using funding for a local match considered by the DHCD as a critical element for the application for funding to stay in the running for funding and is the crux of the reason why they are before the Council.

**Councilor Memhard** asked for a review of the project. **Ms. Vogel** conveyed the following: that Harbor Village is a mixed use project which includes 30 affordable residential units within a single 34,000 sq. ft. building with ground floor commercial space of approximately 2,500 sq. ft. One hundred percent of the housing will be available to households earning no greater than 60% of Area Median Income (AMI) adjusted for household size (a family of four making \$60,000 would be affordable a unit); and the apartments will remain affordable 40+ years or in perpetuity. The rental units will consist of 10 one bedroom units; seventeen two bedroom units and 3 three bedroom units. It will also include 30 parking spaces for tenants under the building and meets the city's standards. The ZBA asked the upper floors be pulled back from overhanging the street which they have done, and changed the windows to look more historic. The community specifically requested that the building façade be brick to blend harmoniously into the historic feel of Gloucester's historic downtown and Main Street. **Ms. Steck** noted that a booklet given to the Committee (on file) which describes the need for community affordable housing and reviewed the highlights of the booklet. She said there is a real need in the community for affordable housing as shown by a number of city-generated and outside generated reports support that fact. Based on census data it shows that many folks in Gloucester would qualify for these units -- about one-third of the city's population would be income eligible. Reiterating that NSCDC and Action, Inc. are non-profits in the community, their investment is long term, she said. There is a 40+ year covenant will be placed on the building or in perpetuity. The city has done a lot of work on what downtown needs and having more vitality with people downtown will connect either end of it with the commercial piece of the project creating more activity downtown. She advised they worked with abutters to address their concerns, and did adapt many elements of the suggestions made to make the building feel and look more like Gloucester. What they came up with is a solid project that will help a lot of folks and add an investment in Main Street, she said, pointing out that Action, Inc. already owns one building on Main Street at the corner of Pleasant and Main Streets.

**Councilor Memhard** said with the addition of the 30 units being brought on line how does that raise the city's target goal of reaching a 10% in affordable housing stock. **Mr. Destino** said the city's affordable housing stock is at 7.2% and this project will bring the city up to 7.4% which gets the city on their way to where they want to be as this project is 100% affordable housing. The total overall budget, **Ms. Steck** reiterated is around \$8 million in construction costs. This money from the city will be leveraged for quite a bit of money federal funding and other funding sources. The CPA fund money is only 1.6% of the overall construction cost of the project, she pointed out. **Councilor Memhard** said that this project puts another development project coming forward shortly for 200 market-rate apartments and what 30% of that would have been and the net contribution and made the comparison briefly to the Harbor Village project.

**Councilor Cox**, in whose ward this project is being undertaken, said that this is the ideal project for CPA funds and reminded the Committee to remember that the citizens of Gloucester voted to adopt the CPA Act into effect and that a certain percentage of the overall funding has to be set aside for Affordable Housing (10% each year), and that since the Taylor Street, a brick and mortar construction. Each year funds are added, she recounted, and finally they have an applicant before them for use of the funds. She said to vote against this project would be going against everything the citizens voted for. This is for the good of the city overall, she emphasized.

**Mr. Destino** added that they've heard from other committees how important to listen to its committees whom they appoint. He pointed out that the Community Preservation Committee (CPC) has done an excellent job. Citing that the NSCDC and Action, Inc. application is yet another worthy application, he announced that the Mayor's Office fully supports this project and the CPA application for funding. He said the CPC worked long and hard on this application and he expressed the Administration's hope that in turn the B&F Committee would support it.

**Councilor Ciolino** asked how the North Shore CDC and Action fit together. **Ms. Steck** said the NSCDC has the expertise in financing and construction of these types of projects citing that deals like this are complicated – it's what the NSCDC does and are a leader in that arena. This will be in a joint ownership in an LLC and taxes will be generated at a rate of three to four times on the property than what it is now. Action, Inc., she pointed out, is barely a block away, and space for the management is on site, she added. **Councilor Ciolino** observed that people are for the project but the project isn't shovel-ready and suggested that they come back next year when they are. **Ms. Steck** explained that they must show the state proof of the city's commitment otherwise their funding application will not be competitive with other communities and the state will bump them out of the funding cycle which they must apply for annually so they can't wait. They need to local money in order to parlay it into state funding. **Ms. Vogel** then described the annual funding cycle in some detail to the Committee. They didn't get approved to go the first round the previous year and she recounted that the state was inundated with similar applications. She said that as far as shovel ready goes, they have done what they can and is ready to go with up to 40% of the designs completed. They are at the point where they've done all they can to be ready, but need the state funding to move forward of which the local funding is a critical factor to the viability of their application to the state.

**Councilor Memhard** asked if the funding is awarded, did the money stay in city coffers until the funding from the state comes through. **Deborah Laurie**, Community Development Senior Project Manager who shepherds the CPA Act Fund process said that there is an agreement with the LLC for the brick veneer and no money will be released until the brick is purchased to be put on the building -- and because they need the money for leveraging it is not unusual for many CPA applicants to come before the CPC to get funds first before they get their larger amount for instance from CHCD. Ms. Vogel highlighted that if their project doesn't go forward due to lack of funding, no CPA funds would be released and be kept in the fund.

**Councilor Cox** asked how much Affordable Housing account under the city's CPA funds to which **Ms. Laurie** said there was \$263,000, and there is \$135,000 unrestricted reserve and in essence there is \$203,000 – the funds on the table for this project are already deducted to make this total. **Councilor Cox** reiterated that 10% of the CPA budget each year is allotted to affordable housing and so the account is replenished; there is still quite a bit left, she reiterated, even if they vote to fund this project.

**Mr. Feener** added that they don't have to have an entity shovel ready, that they look at the project in the longer-term. If they don't get the state's funding then the money stays in the CPA fund Affordable Housing account.

**Ms. Vogel** said the \$10,000 Affordable Housing Trust (AFT) money was for just for the brick facade. There are elevators in the building but not central air **Councilor Ciolino** noted. **Ms. Vogel** said it is a matter of budget and the state won't pay for air conditioners.

**Councilor Orlando** said that the brick veneer and deck were recommendations of the community. **Ms. Vogel** said the recommendations for these items stemmed from input from the ZBA, Historical Commission and abutters. **Councilor Orlando** said that the Council did the vote for AHT funds of \$10,000 and that they said that this was good faith money, and now they say that they need more although noting they are trying to get the project done. He asked what changed from the last time they discussed the previous good faith funding. **Ms. Steck** said that when they went to the AFT they had asked for the entire \$125,000 and got the \$10,000. It isn't the only reason, and that at the time people thought that the city was paying for the entire project and clarified that the vast majority of the funding is from the state of Massachusetts and from private financing but would apply for whatever funds are available that are affordable housing specific. She pointed out the source of the AHT funds are finite, but that CPA funds has an account that is replenishable and only the AHT funds and the CPA Funds are affordable housing trust specific. That was always their intent, she said, as that is what those funds can only be used for and is typical funding sources for such a project. **Councilor Orlando** said he had understood the project wouldn't be seeking local funding and that the state would be footing the bill and asked had there been a change. He said he never

anticipated that the city would fund the entire \$8 million project. **Ms. Steck** said they had said at a January 2016 meeting they had conveyed this same information and reported she had reviewed minutes to confirm it was the case. The financing is very complicating and is a long-term credit tax deal which is unique to affordable housing. It is just the dedicated affordable housing funds, no other city pots, she said. **Ms. Vogel** when asked why the AFT didn't give them \$125,000 said she didn't know. **Mr. Destino** said it was always the Mayor's understanding that this is what the project would seek for funding from the city, and that she supports the CPA funding. It was the Mayor's choice to do the funding through CPA monies rather than through the AHT. The Mayor is hoping to reserve 40B funding for other city targeted projects, **Councilor Memhard** added.

**Mr. Feener** said the CPA was originally created to fund projects like this which the city can't afford to fund. It is important to carry this forward as it is a good project.

**Councilor Memhard** asked who the development team members were. **Ms. Vogel** said they have several different contractors they work with for estimation purposes and provided some details as to how they work with their contractors. It was noted this project as funded discounts the project from having to go with prevailing wage, it was pointed out.

**Councilor Orlando** asked how much the tax revenue to the city will be. **Ms. Steck** said that they will pay taxes which will be significantly more than the previously generated upon the project's completion. Right now they pay about \$9,000 per year to the city, and this will be three or four times that based on improvements. **Councilor Orlando** asked how many jobs are anticipated to be generated by the retail space. **Ms. Steck** said that is fluid because they want the space to be occupied and advantageous to the community and has yet to be determined. Construction jobs will be generated, she said and **Ms. Vogel** confirmed that is required in their contracts that local contractors be hired. She said it had been raised in ZBA meetings that people wanted to reserve the housing for Gloucester residents. She advised that there are limitations with state and federal funding but that the city can apply, which she said they "totally support," for 70% local preference which is the limit that the government allows a project and veterans' preferences and is in the language of the ZBA permit, **Ms. Steck** added.

**Councilor Orlando** noted parking is one-to-one per apartment in that Zoning district and was confirmed by **Mr. Destino**. **Councilor Orlando** asked if there is a project out of town they can look at. **Ms. Vogel** said there are NSCDC in Salem and Beverly and she would forward the addresses. The apartment buildings are more rehabilitation of old buildings. Everything the NSCDC does is all affordable housing, she noted.

**Councilor Memhard** asked when this project could start. **Ms. Vogel** suggested it could be by the end of 2018 early 2019.

Site Visit: To other North Shore CDC projects by individual Councilors at their will.

#### Motions for Reviewed CPC Round 7, FY2017 Applicants by the B&F Committee:

##### Project #4 – Generous Gardeners, Inc., Stacy Boulevard Gardens- \$20,400

**COMMITTEE RECOMMENDATION: On a motion by Councilor Orlando, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed, to appropriate up to \$20,400 (Twenty Thousand Four Hundred Dollars) from the Community Preservation Act Funds as recommended by the Community Preservation Committee, for Generous Gardeners, Inc., for the purpose of Open Space and Recreation of citizens of Gloucester to install and maintain gardens on Stacy Boulevard. The appropriation will be allocated to the Recreational category and funded from Unrestricted Reserves in Fund #4500. The project will be tracked in the Community Preservation Fund – Open Space and Recreation Capital Projects Fund #5714.**

##### Project #7 – City Clerk's Office/Archives Commission & Historical Commission – Initial Storage Project Phase 1 \$11,030

**COMMITTEE RECOMMENDATION: On a motion by Councilor Orlando, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed, to appropriate up to \$11,030 (Eleven Thousand Thirty Dollars) from the Community Preservation Act Funds as recommended by the Community Preservation Committee, to the City Clerk's Office/Archives Commission & Historical Commission, for the purpose of the restoration and preservation of the City of Gloucester Archives in order to preserve an historic resource. The appropriation will be allocated to the Historic Preservation category and funded from**

**Unrestricted Reserves in Fund #4500. The project will be tracked in the Community Preservation Fund – Historic Preservation Capital Projects Fund #5805.**

**Project #8 – Oak Grove Cemetery Continued Restoration - \$15,000**

**COMMITTEE RECOMMENDATION:** On a motion by Councilor Orlando, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed, to appropriate up to \$15,000 (Fifteen Thousand Dollars) from the Community Preservation Act Funds as recommended by the Community Preservation Committee, to the Oak Grove Cemetery, for the purpose of the restoration and preservation of the cemetery in order to restore and preserve an historic resource. The appropriation will be allocated to the Historic Preservation category and funded from Unrestricted Reserves in Fund #4500. The project will be tracked in the Community Preservation Fund – Historic Preservation Projects Fund #4727.

**Project #10 – Historic New England Beauport Museum-Wood shingle roof replacement for outer buildings-\$8,250**

**COMMITTEE RECOMMENDATION:** On a motion by Councilor Orlando, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed, to appropriate up to \$8,250 (Eight Thousand Two Hundred Fifty Dollars) from the Community Preservation Act Funds as recommended by the Community Preservation Committee, to the Historic New England Beauport Museum, for the purpose of the preservation of shingled roofs in order to restore and preserve an historic resource. The appropriation will be allocated to the Historic Preservation category and funded from Unrestricted Reserves in Fund #4500. The project will be tracked in the Community Preservation Fund – Historic Preservation Projects Fund #4728.

**Project #11 –Sargent Museum - \$3,200**

**COMMITTEE RECOMMENDATION:** On a motion by Councilor Orlando, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed, to appropriate up to \$3,200 (Three Thousand Two Hundred Dollars) from the Community Preservation Act Funds as recommended by the Community Preservation Committee, to the Sargent Museum, for the purpose of preservation of the museum's exterior building to preserve an historic resource. The appropriation will be allocated to the Historic Preservation category and funded from Unrestricted Reserves in Fund #4500. The project will be tracked in the Community Preservation Fund – Historic Preservation Projects Fund #4729.

**Project #1 –North Shore CDC-Harbor Village 30 Unit Affordable Housing Rental Project - \$125,000**

**Councilor Ciolino** said that it had been his intent to not support this project funding, but that the funds are going to be used just for the brick façade was one point in favor of the funding, and that if never built that the funds remain in the CPA Affordable Housing account. He said that additionally this project will be tax paying, and for all these reasons he will support the funding.

**Councilor Orlando** said he, too, was originally not in favor of funding this project, and conveyed that there was confusion as to whether the project would seek local funds, but upon learning that this was the Mayor's plan and that the brick façade is in keeping with the downtown and that the project will pay property taxes, he could see his way clear to support the funding.

**COMMITTEE RECOMMENDATION:** On a motion by Councilor Orlando, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed, to appropriate up to \$125,000 (One Hundred Twenty Five Thousand Dollars) from the Community Preservation Act Funds as recommended by the Community Preservation Committee, to the North Shore CDC, for the purpose of constructing Harbor Village, a 30 Unit Affordable Housing Rental Project at 206 Main Street, Gloucester. The appropriation will be allocated to the Community Housing category and funded from the Community Housing Reserves in Fund #4530. The project will be tracked in the Community Preservation Fund – Community Housing Projects Fund #4902.

**Project #12 –Gloucester Writers Center –Preservation of Maud Olsen Library & GWC Archives - \$10,000**

**COMMITTEE RECOMMENDATION:** On a motion by Councilor Orlando, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed, to appropriate up to \$10,000 (Ten Thousand Dollars) from the Community Preservation Act Funds as recommended by the Community Preservation Committee, to the Gloucester Writers Center (GWC), for the purpose of preserving the Maud Olsen Library and GWC Archives. The appropriation will be allocated to the Historic Preservation category and funded from Unrestricted Reserves in Fund #4500. The project will be tracked in the Community Preservation Fund – Historic Preservation Projects Fund #4730.

**Project #13 –Maritime Gloucester –Rehabilitation & Restoration of rails & winch of marine railway - \$62,087**

Councilor Ciolino mentioned with the remediation project, it is nice to see that the Center is being cut a break and that the funding is timely.

**COMMITTEE RECOMMENDATION:** On a motion by Councilor Orlando, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed, to appropriate up to \$62,087 (Sixty Two Thousand Eighty Seven Dollars) from the Community Preservation Act Funds as recommended by the Community Preservation Committee, to Maritime Gloucester, for the purpose of preserving the marine rails and winch of the historic railways of the facility. The appropriation will be allocated to the Historic Preservation category and funded from Unrestricted Reserves in Fund #4500. The project will be tracked in the Community Preservation Fund – Historic Preservation Projects Fund #4731.

**Project #14 –Friends of Burnham’s Field-Continued rehabilitation of Phase 1 of Burnham’s Field Restoration-\$54,000**

**COMMITTEE RECOMMENDATION:** On a motion by Councilor Orlando, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed, to appropriate up to \$54,000 (Fifty Four Thousand Dollars) from the Community Preservation Act Funds as recommended by the Community Preservation Committee, to the Friends of Burnham’s Field for the purpose of the continued rehabilitation of Phase 1 of the Burnham’s Field Restoration. The appropriation will be allocated to the Open Space and Recreational category and funded from Unrestricted Reserves in Fund #4500. The project will be tracked in the Community Preservation Fund – Open Space and Recreational Projects Fund #5715.

**Project #6 –Community Development Department-Stage Fort Park Beautification Project- \$75,000**

**Note:** The loan order associated with this request of \$175,000 will be taken up at a future Budget & Finance Meeting.

**COMMITTEE RECOMMENDATION:** On a motion by Councilor Orlando, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed, to appropriate up to \$75,000 (Seventy Five Thousand Dollars) from the Community Preservation Act Funds as recommended by the Community Preservation Committee, for the purpose of overall park improvements at Stage Fort Park as part of the Stage Fort Park Beautification Project. The appropriation will be allocated to the Open Space and Recreational category and funded from Unrestricted Reserves in Fund #4500. The project will be tracked in the Community Preservation Fund – Open Space and Recreational Capital Projects Fund #5716.

A motion was made, seconded and voted unanimously to adjourn the meeting at 7:40 p.m.

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

**DOCUMENTS/ITEMS SUBMITTED AT MEETING:**

- Underwater photographs of the sheave and marine railway fittings depicting their deterioration submitted by Tom Balf, Director of Maritime Gloucester related to that entity’s CPA Fund application.