

Budget & Finance Committee
Thursday, February 23, 2017– 5:00 p.m.
1st Fl. Council Committee Room – City Hall
-Minutes-

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

Absent: None.

Also Present: Jim Destino; Kenny Costa; Interim Police Chief John McCarthy; John Dunn; Chris Sicuranza; Mark Cole; Fire Chief Eric Smith; Donna Leete

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

**1. Supplemental Appropriations-Budgetary Transfers from the Department of Public Works:
2017-SA-19, 2017-SA-20, 2017-SA-21**

Mark Cole, Public Works Assistant Director, explained the following three Supplemental Appropriations to the Committee for their approval are all being funding from the same account:

- 2017-SBT-19 is for police details related to ongoing CSO work. Money is budgeted for this purpose but is hard to predict how many details are needed for any given project.
- 2017-SBT-20 is for a long-time employee who has retired, a Utility Clerk, and this transfer will cover the sick buyback payout.
- 2017-SBT-21 is for additional dam inspections and repairs. There was a three-year contract with a company for city dam inspections and have made some repairs, but every time a dam is repaired it triggers additional inspections. The Committee was advised for FY18 funds will be budgeted for some of this firm's work and inspections, but this transfer represents above and beyond what the Water Enterprise Fund had in its budget for FY17.

Councilor Ciolino asked about the removal of saplings on city dams which were an issue in the past. **Mr. Cole** said some of the sapling removal falls under the same contract. He noted the department does some of that work but comes from recommendations from the inspections. **Mr. Destino** advised that the Committee will see in the next Mayor's Report a request for funding for additional work that needs to be done at the Haskell Dam that has been recommended for ongoing work to protect the city's watershed through a grant and a low-interest loan on the part of the city. It was noted by **Councilor Memhard** and **Mr. Destino** said that not only is the Haskell Dam the best of the city's water supply but constitutes 30 percent of the its water supply.

Councilor Orlando asked for an explanation of why there was a need for increased police details related to 2017-SBT-19 to which **Mr. Cole** responded that work near schools required extra details.

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-19 in the amount of \$12,659.48 (Twelve Thousand Six Hundred Fifty Nine Dollars Forty Eight Cents) from the Water Enterprise Fund, Fund Balance - Special Purposes, Account #6000-328000 to the Water Enterprise Fund, Purchase of Services, Account #600052-520000 for the purpose of paying for police detail(s) for the Water Enterprise Fund portion of the Combined Sewer Overflow (CSO) project.

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-20 in the amount of \$6,906.38 (Six Thousand Nine Hundred Six Dollars Thirty Eight Cents) from the Water Enterprise Fund, Fund Balance - Special Purposes, Account #6000-328000 to the Water Enterprise Fund, Retirement Sick Leave Buy Back, Account #600051-519011 for the purpose of paying out retirement expenses not budgeted in the FY17 Water Enterprise Fund budget.

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-21 in the amount of \$56,443.50 (Fifty Six Thousand Four Hundred Forty Three Dollars Fifty Cents) from the Water Enterprise Fund, Fund Balance - Special Purposes, Account

#6000-328000 to the Water Enterprise Fund, Purchase of Services, Account #600052-520000 for the purpose of covering a contract addendum for dam repairs not budgeted in the FY17 Water Enterprise Fund budget.

2. *Memo from Public Health Director re: acceptance of a \$10,000 “Working on Wellness” grant*

Donna Leete, Personnel Director, speaking for Karin Carroll, Public Health Director who had a scheduling conflict, explained that in collaboration with the Public Health Department and her department the city has received a one-year Mass. Working on Wellness (MAWOW) seed-funding grant from Health Resources in Action (HRiA) in the amount of \$10,000. She noted that this grant doesn't require any match or in-kind services. The two departments are working on a joint initiative that's having a positive effect on the workplace. The departments have collaborated to set up a Workplace Health and Safety Advisory Committee with representation from the city unions and key employee representatives. She described this group as a grassroots effort – listening to concerns of employees and to ensure they can offer a safe work environment for all. She noted that the DPW has volunteered to be the first facility but will do city-wide training on first aid and Cardio-Pulmonary Resuscitation (CPR) and defibrillator training (to be placed in all city facilities). She described briefly for the Committee results of a survey returned by 134 employees about workplace health and safety and shared some of the results briefly. She said Ms. Carroll is a great partner and that the Council will hear more about the implementation of emergency procedure plans soon.

Councilor Memhard said the Work and Wellness program is a very thorough and thoughtfully developed program.

Mr. Destino welcomed the Human Resources Director to the B&F Committee meeting. He also highlighted that there was no match for this grant.

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 accept under MGL c. 44, §53A a state grant that is a one-year Massachusetts Working on Wellness Seed-Funding Grant from the Massachusetts Department of Public Health passed through the Health Resources in Action in the amount of \$10,000. The term of the grant is from October 1, 2016 to September 30, 2017.

3. *Memo from Fire Chief re: acceptance of two grants: FY17 S.A.F.E. grant in the amount of \$4,540 and Senior S.A.F.E. grant in the amount of \$2,796*

Fire Chief Eric Smith asked the Committee to accept two grants from the Department of Fire Services for the FY17 Student Awareness of Fire Education (S.A.F.E.) and Senior S.A.F.E. grants with no match. The grants' ten year contract has been executed for this program ending June 3, 2023. He recounted for the Councilors that these two grants have been granted to the city for three years now and are part of the department's community fire prevention educational outreach. Lt. Barbagallo is the department's outreach coordinator for these programs, he noted. He briefly described some of the educational activities and the positive results gained by the city from the programs through the grant funding.

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 accept under MGL c. 44, §53A, a FY2017 School-based Student Awareness of Fire Education (S.A.F.E.) grant from the Mass. Department of Fire Services in the amount of \$4,540 for the purpose of providing fire and life safety education to school-aged children.

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 accept under MGL c. 44, §53A, a FY2017 Senior Awareness of Fire Education (S.A.F.E.) grant from the Mass. Department of Fire Services in the amount of \$2,796 for the purpose of providing fire and life safety education to seniors.

4. *Memo from Fire Chief re: payment voucher from MIIA for vehicle repairs with a \$1,000 deductible*

Chief Smith said that this is a payment for damages to a department apparatus from the city's insurer but exceeds the allowable total of \$20,000 -- total damages came to \$21,981. There is a \$1,000 deductible plus \$981

will be funded out of an account the city maintains for this purpose, he added. He asked for acceptance of the check so the apparatus can be fixed.

At **Councilor Ciolino's** request, **Chief Smith** described how Engine 3 sustained damage and recounted the vehicle was trying to get around the tight side of a car accident and a bolt sticking out of the guard rail unseen in the dark opened the side of the engine as it brushed by the guard rail.

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 accept under MGL c. 44, §53, to appropriate \$20,981.56 for a Fire Department vehicle from insurance proceeds received from the city's insurer, Massachusetts Interlocal Insurance Association (MIIA) in the amount of \$20,981.56 for a loss payment for the Gloucester Fire Department's Engine #3, a model 2005 Sutphen.

5. *Memo from Interim Police Chief re: request permission to pay FY15 invoices with FY17 funds without a P.O. in place*

Interim Police Chief, John McCarthy explained that the Police Department needs to pay an invoice dated 06/10/2015 for \$200 for a specialized computer search by Verizon Security Subpoena Compliance of San Angelo, TX. He recounted a situation that transpired at a motel on the Back Shore was "swatted," and there was a need for an emergency trace on a telephone. Due the emergent situational need, a purchase order was not in place for this action and the bill unexpectedly and only just recently arrived with no interest or penalties given the lag time from the incident date to the bill receipt.

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, in accordance with MGL c. 44, §64 to approve payment of a FY15 invoice from Verizon Security Subpoena Compliance of San Angelo, TX, Invoice #2015207336 dated 06/10/2015 for the purpose of a specialized computer search to be paid with FY17 funds from the current FY2017 Police Department Budget account for a total of \$200 without a purchase order in place.

6. *Memo form Senior Project Manager re: request permission to accept donations from Cape Ann Women's Softball for improvements to Mattos Field*

Patti Amaral, representing the Cape Ann Women's Softball League explained that the Cape Ann Women's Softball League has put forward funds for donations to improve Mattos Field through their fundraising efforts, and asked the Committee to transfer the funds to light up Mattos Field.

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 accept under MGL c. 44, §53A accept donations from the Cape Ann Women's Softball of up to \$100,000 for improvements to Mattos Field including, among other things: lighting, scoreboard and landscape improvements; and for payment of all other costs incidental thereto; the mayor is authorized to contract for and expend any donations and federal or state aid available for the improvements and to take other action necessary to carry out the improvements including the acceptance of any private grants or gifts received by the city on account of these improvements without further authorization of the City Council.

7. *Memo from CFO re: request to repurpose funds in Loan Authorization 2013-003 for six capital projects*

John Dunn, CFO, explained that because the city issued double tax-exempt debt, there are requirements as to how quickly the city spends once the debt is issued. Describing the action being asked by the Council to take, he advised that in 2013 there was a multiple project appropriation through a loan authorization that was borrowed largely for repairs to buildings in the DPW yard. But when they explored the cost of the reparations it would greatly have exceeded the \$1 million appropriation. The DPW held back in order to rework the scope of that project. In the interim money was borrowed which need to be repurposed in order to spend it because it won't be spent on the DPW building in the immediate future. An issue came up with the Fire Department's building which needs to be done for the department's dispatch center.

Chief Smith explained the following issues requiring attention at the Fire Department's Central Station: the dispatch center dates back to a donation from the Coast Guard -- equipment from the 1940's/1950's. All the electronics as far as wiring and the way in which the house lights and bells activate when an alarm is struck is about 40 years old. Numerous problems have been experienced with equipment which he briefly enumerated such as problems with the tone generator -- all based on electric issues and age. There is no more "band aids" that can be applied and that the department must still operate at 100% capacity 24/7. He described the changes that would be made with the installation of a new watch center console and related electronics, appropriate battery back-ups because the old system can't be fixed any longer and shifting a clerks space to where the current dispatcher sits so that they are not the first person the public encounters when entering Central Fire Station. It is about a \$200,000 estimate to get all the work done and redoing the work spaces and reversing the clerk's office with the dispatch space. **Chief Smith** said this work must be done. Much of the equipment that will be installed can be used in a new facility -- such as transferring the dispatch console. Much of it is capital improvement, he pointed out, and said it is money well spent. The department doesn't have a choice as there is no good back-up plan to sustain fire operations under the current conditions.

Councilor Ciolino said the area to be renovated is very old, heavily used, and "oppressive." **Chief Smith** reported that work on the specific area in the Fire Station is already on underway and described some of the amenities to be installed such as air conditioning and rack mounting.

Councilor Memhard asked about handicapped accessibility at Central Station. **Chief Smith** said there is no simple solution to the issue -- the building wasn't designed with the public in mind. Video air phones will be installed on the outside of the building so that the public can advise the watch station they are present and that the watch can bring the person or persons through the bay(s).

Mr. Dunn recounted that \$1 million was directed at the DPW building project and they want to move \$200,000 of that and redirect it at improvements at the Fire Station. The overall amount has already been borrowed and the city is paying debt service in it.

Councilor Memhard asked if there was a plan in place to accomplish the scaled-back scope of work for the DPW. **Mr. Dunn** said Mike Hale, DPW Director is still working on that. **Mr. Destino** recounted that the original concept for the DPW was to install a prefabricated building basing their concept on another prefabricated building erected at Pond Road for at that time was under \$1 million. When the city priced out the prefabricated building after the loan order was approved, it came back as \$3.5 million and caused the city to step back from that building project. The DPW project will be reviewed and a revised scope for the project will be developed, he said. The job the Fire Chief brought forward, he said, was a bit more expensive when it started. He expressed confidence that through the due diligence by the Chief for the Fire Station project it is an appropriate project at the right cost, is justified and is a high priority public safety need. **Councilor Orlando** also spoke with **Mr. Destino** about the DPW building project briefly.

Councilor Ciolino noted the original loan order 2013-003 pointing out that four of the projects listed in the loan order are completed: The financial software purchase/installation; the purchase and installation of the DPW Salt Shed, and the City Hall boiler was replaced, and that the only two open-ended items are the DPW Building Addition and the Repairs to Fire Stations. **Mr. Dunn** said specific amounts were voted for six projects which precipitated this action. **Mr. Destino** reminded that before the city goes out for new loan orders they look to previous loan orders to see if funds can be repurposed to save the city from more debt just as they've done with this situation.

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 Loan Order 2013-003 voted by the City Council on September 24, 2013 as follows:

Ordered: That up to \$2,475,000 is appropriated for the following purposes in the following amounts:

<u>Amount</u>	<u>Purpose</u>
\$ 800,000	DPW Building Addition
\$ 500,000	Financial Software Purchase/Installation
\$ 350,000	Salt Shed
\$ 250,000	City Hall Boiler Replacement
\$ 240,000	Street Sweeper
\$ 335,000	Repairs to Fire Stations

Including the payment of all costs incidental or related thereto; that to meet this appropriation, the Treasurer, with the approval of the mayor is authorized to borrow \$2,475,000 under Chapter 44 of the Massachusetts General Laws or any other enabling legislation; that the Mayor and any other appropriate City official is authorized to contract for and expend any federal, state or private aid available for the project; and that the Treasurer is authorized to file an application with the Municipal Finance Oversight Board to qualify under Chapter 44A of the General Laws any or all of the bonds authorized by this order and to provide such information and execute such documents as the Municipal Finance Oversight Board may require for these purposes.

This matter will be advertised for public hearing.

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

City Auditor, Kenny Costa, briefly reviewed his report with the Committee (on file).

A motion was made, seconded and voted unanimously to adjourn the meeting at 6:20 p.m.

Respectfully submitted,

Dana C. Jorgenson

Clerk of Committees

DOCUMENTS/ITEMS SUBMITTED AT MEETING: