

**Budget & Finance Committee**  
Thursday, March 23, 2017– 5:00 p.m.  
1<sup>st</sup> Fl. Council Committee Room – City Hall  
**-Minutes-**

**Present:** Chair, Councilor Scott Memhard; Councilor Joseph Ciolino; Councilor Jamie O’Hara (Alternate)  
**Absent:** Councilor Orlando

**Also Present:** Councilor Sean Nolan; Jim Destino; Kenny Costa; John Dunn; Harbormaster T.J. Ciarametaro; Fire Chief Eric Smith; Interim Police Chief John McCarthy; Tony Gross; Mike Hale; Sal DiStefano

The meeting convened at 5:37 p.m.

1. *Supplemental Appropriation-Budgetary Requests 2017-SA-19 & -20 from Department of Public Works*  
***NOTE:*** 2017-SA-19 & -20 are already documented and voted upon by the Council. The correct numbering for these two Supplemental Appropriations is: 2017-SA-27 and 2017-SA-28

**Mike Hale**, Public Works Director, explained that 2017-SA-27 is for funding to repair damage caused by winter weather to street signs. He highlighted the new street signs that are more reflective and larger in size between Derby and Ferry Streets, encouraging the Councilors to view them. The second appropriation is an annual occurrence from the Highway Force Account, an account mostly funded from road opening permit fees for the purpose of roadway winter clean up and spring repair work projects around the city.

**COMMITTEE RECOMMENDATION:** On motion by Councilor Ciolino, seconded by Councilor O’Hara, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2017-SA-27 in the amount of \$15,000 (Fifteen Thousand e Dollars) from the Highway Force Account, Transfer to the General Fund, Account #32085-596001 to the DPW Public Service-Signs & Cones, Account #147052-553001 for the purpose of purchasing sign supplies for sign repairs/replacements throughout the City of Gloucester.

**COMMITTEE RECOMMENDATION:** On motion by Councilor O’Hara, 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-28 in the amount of \$25,000 (Twenty Five Thousand Dollars) from the Highway Force Account, Transfer to the General Fund, Account #32085-596001 to the DPW Public Service, Paving, Account #0147058-588003 for the purpose of funding paving projects in the City of Gloucester.

2. *Special Budgetary Transfer Request 2017-SBT-16 from Police Department*

**Interim Police Chief John McCarthy** explained that School District Nurse Leader, Cindy Junker, provided CPR and Narcan training for the Citizen’s Academy sponsored by the Police Department, and this transfer will allow the department to pay her for this service.

**COMMITTEE RECOMMENDATION:** On motion by Councilor O’Hara, 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-16 in the amount of \$192.00 from Account #0121152-520000, Police Uniform, Purchase of Services, to Account #S0141995-511101, School General Fund, Central Office-District Nurse Professional Salary, for the purpose of funding the services of the School District Nurse Leader for Police Department for CPR and Narcan training courses.

3. *Special Budgetary Transfer Request 2017-SBT-17 from Fire Department*

**Fire Chief Eric Smith** advised that in order to continue to keep all of the city’s fire stations opened that there is a need to move money from the Fire Department Supplies for Men/Women (\$10,000) which is a uniform account to the department’s overtime account used exclusively for staffing the stations. He explained that this is the way they will be able to maintain opening Magnolia.

**Councilor O'Hara** questioned the Chief about manpower for each shift (24 firefighters per shift), minimum staffing (18 firefighters) and how the process worked in filling open slots for overtime. **Chief Smith** advised that overtime spots are filled with the least costly employee but that they must ensure that the substituting firefighter has the training and credentials for the open slot. He said the department has a roster of 72 firefighters with almost 30 paramedics, and that there is a cap of 40 paramedics through Civil Service.

**Chief Smith** responding to an inquiry from **Councilor Memhard** that they constantly review the department's fiscal budget to sweep up funds for things they don't absolutely have to have or can live without in order to keep stations opened. He noted it's easier to cover Magnolia than Bay View because of a lesser response time from Central Station.

**COMMITTEE RECOMMENDATION: On motion by Councilor O'Hara, 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-17 in the amount of \$10,000 from Account #0122052-558015, Fire Department, Supplies for Men/Women, to Account 0122051-513000, Fire Department, Overtime, for the purpose of funding the continuous operation of fire stations in the City of Gloucester.**

**4. Memorandum from Harbormaster re: request for new equipment, salaries, & repairs for office from earnings/stabilization account and Supplemental Appropriation-Budgetary Requests 2017-SA-22, -23, -24, -25 & -26**

**Jim Destino**, CAO asked the Committee's leave to remove the Supplemental Appropriations for the Harbormaster's Department at this time. He said that the Administration would send Supplemental Appropriations for the Harbormaster's Department needs at another time in another form.

By unanimous consent of the Committee, this matter is closed.

**5. Memorandum from Economic Development Director re: acceptance of a grant in the amount of \$13,000 from the Mass. Dept. of Marine Fisheries**

**Sal DiStefano**, Economic Development Director engaged in a discussion with the Committee about the recent city representation at the International Seafood Exposition held in Boston recently which he termed as a very successful showing. He noted that Gloucester was the only municipality in the state represented at the largest seafood exposition held in North America annually. In addition to a large corner booth with areas set up for demonstrations and meeting areas for business discussions, the city had a group of international fishing executives from governmental and private entities come to the city to tour the Cape Ann Seafood Exchange, Intershell and Cape Seafoods, view the city's waterfront and have lunch at Cruiseport with the Mayor in attendance. He touched upon the billboard marketing/advertising program the city has again embarked on. He extended his thanks to the unwavering support from Mayor Theken, who was an active participant at the Seafood Expo, city staff and the many volunteers who helped make this year's showing at the Expo such a great success. **Councilor Memhard** mentioned that Gloucester got very good press especially through trade press on the city's promotion of underutilized fish species. He also expressed his thanks to the volunteers, the Mayor and her Administration.

**Mr. DiStefano** advised that the city is in receipt of a Mass. Dept. of Marine Fisheries \$13,000 grant for continued marketing and outreach efforts for the Gloucester Fresh Seafood campaign for underutilized species. The grant funds will be used to support outreach, promotion and new seafood product development by the Gloucester Fishermen's Wives Association in partnership with the city. He touched on two other grants the city had received from other governmental agencies towards this effort. The city is in the final round for a grant that would help the city fund a test kitchen, he noted. The \$13,000 grant has no match requirements, he said.

**COMMITTEE RECOMMENDATION: On motion by Councilor O'Hara, 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 Seafood Marketing Pilot Grant Program that is a state grant from the Massachusetts Department of Marine Fisheries grant of \$13,000 for the purpose of the city's continued marketing and outreach efforts for the Gloucester Fresh Seafood campaign and to support outreach, promotion and new seafood product development by the Gloucester Fishermen's Wives Association. This grant has no match requirement.**

**6. Memorandum from Economic Development Director re: Glass Tech Boat Servicing LLC TIF**

**Mr. DiStefano** explained: that Tax Increment Financing is one of the few tools a city has to help businesses to invest in the city and encourage job growth. A TIF is offered in exchange for investment in a businesses' property and creating new jobs is a temporary discount on the incremental tax on the on the incremental property tax on the property for a certain finite amount of time. It is the recommendation of the city's TIF Committee that the city consider entering into a local TIF agreement with Glass Tech Boat Service LLC, 8 Kondelin Road at the Cape Ann Industrial Park, a company that's been in business since 1995, owned by Jeffrey Wilk. Mr. Wilk has five employees, mostly Gloucester residents, he noted, and advised that the company provides full service in-land marine boat service and storage facility which is now beyond capacity which is the reason for this TIF request by Mr. Wilk – in order to support the construction of a new building to expand Glass Tech's boat repair, maintenance, storage and future manufacturing [facilities]. It is Mr. Wilk's desire to expand his company's manufacturing line to go into production for a 19 foot fiberglass boat called the "Gloucester 19," for which he already has five pre-orders.

There will be no state TIF application involved, that this is strictly a local proposal; therefore, the TIF Committee voted to approve a seven year term and a 50% discount of the future tax increase after construction starting in FY2019. Nothing is given up, he pointed out, as far as tax income to the city, but that this TIF discount would be on the added tax levied after the improvement to the property. The business intends to hire at least three additional full-time employees over the time period of the proposed TIF.

**Gary Johnstone**, City Assessor, gave the Committee a document entitled, "EDIP Local Incentive Only Application Exhibit 1: Local Incentive Valuation," (placed on file) and explained that what Glass Tech is proposing is roughly assessed at \$420,700 with an assumption that the local TIF would start in FY2019 because in FY2018 by January 1 the company wouldn't have started any work so there would be no benefit. Assuming that the construction is started this year and some of the new facility is done by next Jan. 1 and there was \$420,700 in increased value, the taxes would have been about \$6,000 and 50% would be exempted and 50% would still be realized. This all is predicated on the assumption that property values remain stable. Over the life of the seven year TIF, the city would realize an increase in taxes \$22,749.35 and would be also exempting that equal amount.

**Councilor Memhard** asked for the value of Glass Tech's property as it exists now. **Mr. Johnstone** said the FY2017 assessment is \$773,300, and that with the new facility the property value would rise to about \$1,163,500. **Councilor Memhard** asked where the new facility would be positioned. **Councilor Sean Nolan**, representing Ward 5 advised that Glass Tech bought the adjacent lot, #10. **Mr. Johnstone** said Glass Tech owns two properties (#8 and #10 Kondelin Road) with **Mr. DiStefano** confirming the new facility would be in between two buildings right on Kondelin Road. He added that Glass Tech's conservative employee expansion is estimated at three new full time positions, and it is the applicant's hope to apply for a small business loan through the city. He added that Glass Tech's services are very much needed in the city, he said.

**Councilor Ciolino** commented that the city used to do only five-year TIF's and lately TIF terms are for seven years. **Mr. DiStefano** said this is a small TIF and it will take Glass Tech longer to realize the value and hire employees. He reported that Glass Tech requested a longer timeframe, but the TIF Committee thought this was the best way for them to fully realize the benefits and is on par with what has been done recently by fairly helping the business by giving them time to recoup their investment. **Mr. Destino** said the city used to do 10 year TIF terms and that they should always think long term, as it is beneficial to incentivize businesses to build up and expand their operations.

**Councilor O'Hara** said that the owners are hardworking people and that for the city the TIF is a wise investment. **Councilor Nolan** expressed his agreement saying that the owners work very hard and that he seldom passes the business without seeing the owners on site. Much of the business is from out of town, he advised, and could have located the business anywhere they wanted, but the owners want to be in Gloucester. He said no Kondelin Road abutters are objecting to this TIF initiative. For the business to put up a half million dollars is important and the jobs are important, he pointed out.

**Mr. DiStefano** said the company tour by the TIF Committee showed them a top notch operation, in response to a comment by **Councilor Ciolino** commenting about having very good ventilation systems in such facilities. **Mr. Destino** said that there will be boat storage at the property and will be a properly vented new building with appropriate safeguards for the protection of the Glass Tech employees.

**COMMITTEE RECOMMENDATION: On a motion by Councilor O'Hara, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council:**

- 1) **Adopt the Tax Increment Financing (TIF) Plan and Agreement between the City of Gloucester and Glass Tech Boat Service LLC, for a duration of seven (7) years, for a property located at 8 Kondelin Road, as shown on Assessors Map 198, Lot 31; and to**
- 2) **Approve the project application and find that it meets the requirements of MGL c. 23A, §3F in that it provides a reasonable opportunity to create jobs within the City of Gloucester as indicated in the TIF plan.**

This matter will be advertised for public hearing.

**7. *Petition for road repairs in accordance with GCO Article VI “Repair of Private Ways” Sec. 21-80 et seq re: Park Lane***

**Councilor Nolan** presented the petition request of abutters of Park Lane under GCO Art. VI “Repair of Private Ways” Sec. 21-80 et seq, in particular 4 Sec. 21-83, who conveyed the following information:

This is a small road. All the steps according to the parameters of the Code of Ordinances have been met (documentation on file). The DPW Director is ready to go forward on this project as it is a small road and straightforward. It was noted that only two people live on Park Lane which has six abutters.

**Councilor O’Hara** complimented Councilor Nolan for making this happen.

**Mr. Destino** said the project is ready to go and is only estimated to cost \$18,700. This is approval of the project and at a later time the Council will have to vote on the funding. He advised that the Administration is working to streamline the private road paving ordinance with Councilor Nolan and that the revised draft ordinance amendments should be ready soon for Council review and briefly touched upon some of the particulars.

**COMMITTEE RECOMMENDATION: On motion by Councilor O’Hara, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed, that under Sec. 21-83 of the Gloucester Code of Ordinances that the City is to repair/repave the private way of Park Lane. The abutters of Park Lane agree to provide all easements, rights of way, designs, permits and legal certifications necessary for said improvements. The cost resulting from said improvements to be carried out is based on Sec. 21-83, “Funding for approved Construction and Repair.” The full cost of this project is not to exceed \$18,700; one hundred percent of the costs shall be borne by abutters and assessed as betterments.**

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 6:22 p.m.**

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

**DOCUMENTS/ITEMS SUBMITTED AT MEETING:**

- **From the Assessor Gary Johnstone, “EDIP Local Incentive Only Application Exhibit 1: Local Incentive Valuation**