

Budget & Finance Committee
 Thursday, November 16, 2017– 5:30 p.m.
 1st Fl. Council Committee Room – City Hall
-Minutes-

Present: Chair, Councilor Scott Memhard; Vice Chair, Councilor Joseph Orlando; Councilor Joseph Ciolino (entered the meeting at 5:48 p.m.)

Absent: None.

Also Present: Kenny Costa; Jim Destino; John Dunn; Tom LaFleur; Lucy Sheehan; Jill Cahill; Debbie Laurie; Catherine Schlichte

The meeting convened at 5:41p.m.

1. *Special Budgetary Transfer 2018-SBT-2 from Gloucester Public Schools Director of Finance & Operations*

Tom LaFleur, Director of Finance & Operations for the Gloucester Public Schools explained that this is an annual transfer by the School Department to the Police Department to fund the GHS School Resource Officer for \$60,000.

COMMITTEE RECOMMENDATION: On a motion by Councilor Orlando, seconded by Councilor Memhard, the Budget & Finance Committee voted 2 in favor, 0 opposed, 1 (Ciolino) absent, to recommend that the City Council approve Special Budgetary Transfer 2018-SBT-2 in the amount of \$60,000 from Account #S1102505-511101, GHS Salaries- Principal Professional to Account #0121151-513000, Police Uniform-Overtime, for the purpose of funding the Gloucester High School Resource Officer.

Mr. LaFleur explained that this matter is to pay a FY17 invoice to be paid with FY18 funds for a police detail for the Gloucester High School prom.

COMMITTEE RECOMMENDATION: On a motion by Councilor Orlando, seconded by Councilor Memhard, the Budget & Finance Committee voted 2 in favor, 0 opposed, 1 (Ciolino) absent, to recommend that the City Council in accordance with MGL c. 44, §64 approve payment of a prior year invoices to be paid with FY2018 budgeted funds from the current FY2018 Gloucester Public Schools budget as follows:

<u>Vendor</u>	<u>Invoice #</u>	<u>Date</u>	<u>Amount</u>
Gloucester Police Department	17-233-DV	June 11, 2017	\$ 788.00

2. *Memorandum, Grant Application & Checklist from Executive Director of Council on Aging re: Acceptance of State Formula Grant in the amount of \$71,818.80 to fund certain positions*

Lucy Sheehan, Executive Director of the Rose Baker Senior Center, explained that this is a state grant for the FY18 Formula Grant allocation with no match totaling \$71,818.80. It pays the total salary of the senior clerk and the partial salaries of other professional outreach staff members, and the video production coordinator of the senior center. The formula amount is based on per senior determined by the state legislature, this year at \$9.70 per senior; the total is based on those Gloucester residents 60 years old and above (7,404 in all).

COMMITTEE RECOMMENDATION: On a motion by Councilor Orlando, seconded by Councilor Memhard, the Budget & Finance Committee voted 2 favor, 0 opposed, 1 (Ciolino) absent, to recommend that the City Council accept under MGL c. 44, §53A, a Mass. State FY2018 Formula Grant Allocation from the Mass. Executive Office of Elder Affairs for a total of \$71,818.80.

Ms. Sheehan explained this federal grant passed through Senior Care pays for the outreach services of the senior center's social worker -- SeniorCare is billed \$682.53 a month for 12 months.

COMMITTEE RECOMMENDATION: On motion by Councilor Orlando, seconded by Councilor Memhard, the Budget & Finance Committee voted 2 in favor, 0 opposed, 1 (Ciolino) absent, to recommend that the City Council accept under M.G.L. c. 44, §53A a federal grant passed through the Mass. Executive Office of Elder Affairs through SeniorCare, Inc., for a Title III-B Older Americans Act Grant for \$8,190.00 for FY2018. Funds are to be used to supplement the hours and part-time salary for an Outreach Community Education Worker at the Rose Baker Senior Center.

3. Memorandum from CFO re: Allocation of General Fund Free Cash & Supplemental Appropriations

John Dunn, CAO, explained the following information about the annual allocation of certified General Fund Free Cash according to policy: General Fund Free Cash was certified by the Department of Revenue (DOR) at \$3,706,217. There are two parts of the city's Snow & Ice (S&I) deficit remaining -- from FY2015 with the city now having its third, and final, payment of the three year amortization schedule for \$430,912.34 and then the FY2017 S&I deficit which is \$298,895.82. The total S&I total deficit to be covered is: \$729,808.16 which leaves \$2,976,408.84 to be distributed according to the Free Cash policy. The breakdown of the distribution is: 40% to the Capital Project Stabilization Fund -- \$1,195,963.84; 20% to the Building Maintenance Stabilization Fund -- \$595,640.88; 10% to the General Stabilization Fund -- \$297,640.88; 30% remaining as Unreserved Free Cash -- \$892,922.65 (available for other purposes). Also recommended by the Administration use \$50,000 of that Unreserved Free Cash to be transferred into the Other Post-Employment Benefits (OPEB) trust fund. It was noted that the overall funding for the city's OPEB trust fund is very great, and that while \$50,000 is small, it shows that the city is doing something about funding the trust which rating agencies like to see annually even though a contribution may be modest, they like to see annual contributions. Moving forward should there be Free Cash available, the city will continue to make these contributions to the trust fund. These contributions account for the four Supplemental Appropriations the Committee is being asked to vote on, he noted.

Responding to Councilor questions, **Jim Destino**, CAO, explained that distribution of certified Free Cash is by an endorsement of the Council through its vote several years ago of an internal policy. He confirmed that S&I deficit is moot for FY18 at this time. He recounted for the Committee that at the end of FY17 the Administration cleared out remaining funds in city accounts for the purpose of taking down the FY17 S&I deficit to bring the overall dollar amount as low as possible to be funded through Free Cash. He reminded the Committee that when Mayor Theken took office there was less than \$2 million in Free Cash reserved with \$1 million earmarked for the Firefighters contract, in essence less than \$1 million and now there is approximately \$6 million overall. He said the established Free Cash policy is beneficial for the city and thanked the B&F Committee for adhering to it.

Mr. Dunn said that rating agencies do look at the city's General Fund unassigned fund balance plus stabilization funds that the city's at a certain point; they like to see the maintenance. While some of this money has been spent, a matching grant for fire radios and SCUBA (breathing equipment), and work at the high school and the O'Maley Innovation Middle School, the city is using the funds as they should. **Kenny Costa**, City Auditor added that the DOR endorsed the policy as has the city's outside auditors which he said is a credit to the Council for adopting the policy. He said it is seen as a positive. It was noted that while the city's not solving its \$169 million OPEB obligation, **Mr. Destino** said OPEB is an issue for cities and towns across the country. **Mr. Dunn** said until the city gets its pension liability taken care of in 2033, they won't be able to take big bites out of the OPEB funding. He said the fact that they're doing something about it is important.

Councilor Memhard pointed out the city is starting with a "clean slate" in FY18 for S&I and that the previous S&I liability will be finished which is important. **Mr. Destino** expressed his agreement saying that the Capital Projects Stabilization Fund at \$2.5 million is key as going forward with the city's capital plan they won't have to borrow each time a municipal facility needs maintenance (\$1.3 million currently in that account), and the continuing to build the general "rainy day" fund of \$2.2 million is significant for such a short period time. By continuing to do this they'll have the city on a sound financial footing. He extended this thanks for the work of CFO, John Dunn and City Auditor, Kenny Costa for their hard work and financial guidance.

Councilor Memhard extended his thanks to the Administration for working to put this financial management policy in place for the city which everyone benefits from. He mentioning the upcoming winter to which **Mr. Destino** commended it was "amazing" how much weather affects the city's budget -- whether it be sunny and warm for the beaches to be frequented or by snow and ice in the winter. He advised the Committee that they will see some expenditure requests coming forward for important one-time expenditures for initiatives of redoing the Zoning Ordinance and Code of Ordinances, and a list of other one-time expenditures that need to be done and assured they are all appropriate uses for the funds.

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 Supplemental Appropriation 2018-SA-2 in the amount of \$729,808.16 (Seven Hundred Twenty Nine Thousand Eight Hundred Eight Dollars and Sixteen Cents) from the General Fund, Undesignated Fund Balance (“Free Cash”), Account #0001-359000, to General Fund-Designated for Authorized Snow & Ice Amortization, Account # 0001-359201, for the purpose of funding the final year of the three-year Snow & Ice Amortization Schedule and the DPW Snow & Ice Removal deficit from Fiscal Year 2017.

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 2018-SA-3 in the amount of \$1,190,563.54 (One Million One Hundred Ninety Thousand Five Hundred Sixty Three Dollars and Fifty Four Cents) from the General Fund, Undesignated Fund Balance (“Free Cash”), Account #0001-359000, to Capital Projects Stabilization Fund, Transfers from the General Fund, Account #760001-497001 per the Capital Plan Funding and Free Cash Distribution Policy.

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 2018-SA-4 in the amount of \$595,281.77 (Five Hundred Ninety Five Thousand Two Hundred Eighty One Dollars and Seventy Seven Cents) from the General Fund, Undesignated Fund Balance (“Free Cash”), Account #0001-359000 to the Building Maintenance Stabilization Fund, Transfers from the General Fund, Account #770001-497001 per the Capital Plan Funding and Free Cash Distribution Policy.

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 2018-SA-5 in the amount of \$297,640.88 (Two Hundred Ninety Seven Thousand Six Hundred Forty Dollars and Eighty Eight Cents) from the General Fund, Undesignated Fund Balance (“Free Cash”), Account #0001-359000 to the General Stabilization Fund, Account # 75004-497001 per the Capital Plan Funding and Free Cash Distribution Policy.

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 2018-SA-6 in the amount of \$50,000.00 (Fifty Thousand Dollars) from the General Fund, Undesignated Fund Balance (“Free Cash”), Account #0001-359000 to the Other Post-Employment Benefit (OPEB) Trust Fund, Account # 84004-497001 to partially fund the City’s OPEB unfunded liability.

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

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

5. *Memorandum from Acting Community Development Director re: Community Preservation Committee Recommendations-Round 8, FY2017 Funds:*

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| A. Ocean Alliance, Inc. | Capital Improvement to Sea Wall/Foundation of
Bldg. E-Tarr & Wonson Paint Manufactory | \$18,000 |
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Ian Kerr, Ocean Alliance, explained that Ocean Alliance is asking for funding in order to support the renovations of the seawall supporting the buildings of the Tarr and Wonson Paint Manufactory facility built in 1863, specifically under buildings E & C. He explained the project as follows: No work has been done on the seawall for over 37 years, since the building shut down in the 1980’s. While not in an emergent situation, Ocean Alliance is at a critical juncture that if they don’t start replacing some of the stones they could start to lose the foundation. They’re asking for \$18,000, estimated at a third of the whole project cost of \$61,400. It was noted that when Ocean Alliance receives CPA funding it is leveraged almost immediately through funding from donors to Ocean Alliance as well as

seeking out other grant funding opportunities from public and private entities. **Mr. Kerr** advised that this is a good time to make these repairs.

On an inquiry by **Councilor Ciolino**, **Mr. Kerr** said Ocean Alliance currently has an economic development administration proposal in process with the Massachusetts Economic Development Agency (EDA) for one of the buildings previously taken down to be rebuilt possibly with EDA funding. They are an oceanographic facility and are hoping to go into partnership with Intel also, he noted. **Councilor Orlando** asked how much has to be replaced. **Mr. Kerr** said the brick buildings were all polluted and almost \$1 million went into remediation and about \$400,000 has gone into the buildings, and needs about \$200,000 to finish them. The building, which appears as one from the water with the iconic painted signage, he pointed out, is deceptive because all the work is on the buildings behind it. **Councilor Ciolino** cited that the foundations have to be stabilized if they're going to erect buildings. **Mr. Kerr** said that is why they're moving forward proactively. **Councilor Ciolino** said they are doing a terrific job in their caretaking of the property.

Councilor Memhard said he understood there were plans for site access for the Ocean Alliance research vessel. **Mr. Kerr** said they've had plans drawn up for a 120 foot dock there to encourage other research vessels to come to the city and for their own and briefly discussed possible funding for that project. **Councilor Memhard** asked if the site was in the Designated Port Area (DPA). **Mr. Kerr** confirmed it was not, but it is in the Marine/Industrial (MI) district.

Councilor Orlando asked if they are committed to keeping the face of the building the way it is. **Mr. Kerr** said when Ocean Alliance purchased the building it helped to give them a separate and unique identifiable place from other non-profits, and that the iconic building is in their logo. The idea is to maintain the façade, he said, but that the challenge is regulatory. He noted that the outside speaks to the past; the inside speaks to the future. The building is eligible for listing on the National Register, he advised.

Site Visit: The B&F Committee will reach out individually to Mr. Kerr for a site visit.

B. Lanesville Community Center	Virginia Lee Burton Little House Project	\$30,000
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Judith Oleson representing the Lanesville Community Center (LCC) with Sandy Burton and Cheryl Glazer (all LCC Board members), conveyed the following information: LCC is an active organization and their historical programs have become a draw for the community. In a needs survey that board members conducted several years ago, people indicated they want more programming for children and families as in North Gloucester there's not a lot available for them. This project preserves the studio of the award-winning children's book author and illustrator, Virginia Lee Burton, who was founder, leader and print maker of and with the renowned Folly Cove Designers. The comprehensive exhibit at the Cape Ann Museum of the Folly Cove Designers was mentioned, and served as an example that there is nothing in the neighborhood where Ms. Burton is from where she gleaned so much of her creative inspiration. The project is to move the building, which has been preserved by Sandy Burton, to the grounds of the LCC as a historical building where it can be rehabilitated and restored to preserve the legacy of Ms. Burton's work but also envisioned will be a place where children can hear stories, read Burton's books as well as paint and learn the basics of block printing. Larger workshops with children's book authors and illustrators for children and adults would be offered at Community Center itself. The LCC is exploring programming partnerships it was noted.

Ms. Oleson conveyed the LCC is excited about the possibility not only the historic building representing the work of Ms. Burton but is a singular opportunity to engage more families and children at the LCC. The LCC seeks \$30,000 in CPA funding for this project with a total estimated cost of \$50,000, and are applying for grants for the remaining project funds. Additionally the project will utilize volunteer labor that is already committed. She said it is doable, and the LCC has committed to ensuring its upkeep. The LCC board believes there is no greater way to honor Burton's creative legacy and preserve this local cultural heritage than to move her cottage in order to restore it so it can be accessible Gloucester families. It was pointed out that the story of this project mirrors one of Ms. Burton's most iconic and best loved children's book, "The Little House" which takes readers through trials and tribulations through the years of the little house that eventually is moved generations later and is restored. This is a community that understood the value of preserving what has heart of Ms. Burton's work, Ms. Oleson said. She advised that Chris Wagner, President of the LCC, and the official manager of the project was unable to attend.

Sandy Burton said the studio is in Lanesville, shrink wrapped since 2009 when it was taken off the property which was at the end of Folly Point Road which was purchased by Virginia Lee Burton in 1963. The two-room studio was purchased by Ms. Burton; a prefab building 20 feet x 11 feet built by the Building Center and brought to the property in components. The LCC spent five years trying to obtain the house, and once obtained had only two weeks to get it off the property. Three volunteers took the building down, Donald Parsons, Russell Hobbs and he;

they moved it, shrink-wrapped it and it is now on Mr. Burton's property about a half mile from the LCC. The LCC has begun discussions with the Eric Carle Children's Museum to learn more about conceptualizing for the restored studio and learning more about grant funding for such an entity. **Mr. Burton** explained that Phase 1 of this project is to ensure the move of the building to the LCC grounds and to make it weathertight and allow for some finishing of the inside. At the same time, he reported, the LCC is writing grants for the remaining piece. The building won't be connected to the LCC, and the LCC has the necessary amenities so that the studio will co-located off to the back behind the LCC main building but near enough to the LCC for easy access.

Councilor Ciolino acknowledging there's the writer center in East Gloucester and the T.S. Eliot House there also, but nothing like this in Lanessville, that the LCC is a great community resource. **Mr. Burton** reminded the Committee that Lee Natti was a significant Folly Cove designer and writer, and was Virginia Lee Burton's editor. Her son, who resides at the top of High Street, has a small mill; the boards on the building have to be replaced, and he said their goal is to have Mr. Natti rough saw the wood.

Councilor Memhard expressed his approbation for the LCC's "vision, tenacity and persistence." He recounted that the Little House recently went to Japan for a first class exhibit and made a soft version of the Little House. **Mr. Burton** said he appreciated the enthusiasm expressed by the B&F Committee and their positive feedback. **Cheryl Mazur**, LCC board member, noting that she was one of the founders of the Lanessville Preschool Center, pointed out that seeing the studio brought back to life for children to use is exciting. This is for all of Gloucester, it was noted, and will attract people to Gloucester as Virginia Lee Burton is a significant name in the literary and art world.

Site Visit: None.

C. Cemeteries Advisory Committee Historic Cemetery Stone Repair \$ 9,500

Sandy Barry of the Cemeteries Advisory Committee with members of the Committee present explained that they'd been working for three years as volunteers prior to the reformation of the Cemeteries Advisory Committee. She said that the First Parish Burial Ground, located off of Centennial Avenue is one of America's oldest public cemeteries, established in 1644. She said the conditions of the stones when she first saw the cemetery was shocking. She said the volunteers are able to do a lot of work on their own to clean them and make small but a certain amount they can't do because it requires a particular expertise. She showed photographs of damaged slate headstones and spoke of the techniques that are employed to preserve them. Many of its graves are Revolutionary and Civil War veterans, it was noted. An example of a restored headstone was shown as well. There are fishermen, ministers and some of the most important people in the city are buried there.

Highlighted for the Committee was that the first black American enlisted soldier in the Grand Army of the Republic (Joseph Green) is buried there, his plot is at the foot of the new access ramp installed by the DPW, noted **Councilor Orlando**. He said it is striking in doing the clean-up of the cemetery last year which had eight foot high knotweed with help from volunteer professional landscapers, that they uncovered 75 to 80 broken headstones hundreds of years old, veterans, fishermen, all with recognizable names. He said that the DPW Director, Mike Hale said he will try to expand the mowing schedule next year because there is a significant knotweed infiltration. He said there is some tree and access work still to be done. He said the headstones need to be restored and this grant application is the first step to that. He said he hoped the Council will support the CPA funding.

Beverly McCann noted they couldn't even tell there were headstones in this field. She said you can now see the whole cemetery which only served to highlight the damaged headstone. **Councilor Orlando** said the volunteers brought it back as a cemetery but now the stones need restoration and the paths also. The Conservation Agent has Okayed tree work, he advised. He thanked the Cemeteries Advisory Committee for their outstanding job. He said he hoped more CPA funds will be utilized to continue the restoration. He mentioned the work of Councilor O'Hara also.

Councilor Memhard asked how the Cemeteries Advisory Committee will leverage the CPA funding. **Ms. Barry** said they'll tackle 15 important stones noting that earlier in 2017 the Committee received a grant from the MHC for \$6,500 which saw a good deal of stones repaired. Overall, she reported, there are 600 stones in First Parish and 400 stones in Clark Cemetery so they're working their way through them a little at a time. The volunteers can do the straightening and the cleaning and have trained people to do that, but they need certified professionals to do pinning and epoxy. This cemetery is on the Register of National Historic Places and so proper restoration techniques have to be employed.

Councilor Orlando suggested possible funding sources to the Cemeteries Advisory Committee members and a possible resource for them. **Councilor Memhard** expressed concern that the railroad tracks so close to the

cemetery that with the installation of the new railroad bridge over the Annisquam River may impact the cemetery. **Ms. Barry** said that project is far enough away that it shouldn't affect the cemetery.

Councilor Memhard said the First Parish Cemetery is a community asset that is forgotten and that it is wonderful to see it come back.

Total estimated cost for the project is \$9,500.

Site Visit: None.

D. Sargent Murray Gilman Hough Sargent Museum's Failing Roof House Association \$111,500*

**Revised CPC Recommendation Memorandum on file explaining new total recommended for \$61,500*

Jo-Ann Michalak, representing the Sargent Murray Gilman Hough House Association, described for the Committee the deteriorated condition of the museum's roof by showing four photographs (on file). She pointed out that the cause of much of the roof's deterioration was from inferior nails. She noted that when the museum's roof was repaired in 2001 the museum had received a grant from the Massachusetts Historical Commission and had a consultant work with them as to the appropriate type of materials to be used for the repairs, and "hot-dipped" nails were considered at that time to be the best to use for securing roofing shingles on a historic building. The quality of the coating proved faulty and the shafts deteriorated or rusted away entirely. At the time that project cost \$124,000. The total cost for the new roof replacement is estimated at \$181,500. There are two other grants helping to pay for this project, one from the Essex National Heritage Partnership grant for \$2,000 with a match from the museum association of the same amount for the installation of beams in the ceiling to prevent further rot. The museum also received a \$50,000 grant award for the roof replacement from the Massachusetts Historical Commission, but that at the time of the CPA application the grant hadn't come through which is why they asked originally for \$111,500. As a result of the receipt of the MHC grant, the original CPC recommendation was reduced to make up the remainder of the request, \$61,500.

Councilor Memhard noted that this is a great example of leveraging CPA funding for more grants. **Ms. Michalak** said that with the MHC funding they are required to hire a preservation consultant from a state approved list who writes specifications, helps select the contractor. She advised the MHC has very stringent rules which must be followed. She noted that the 2001 installed shingles were of red cedar shingles supposedly guaranteed for 20 years, which turned out not to be the case, and won't be using the same contractor from the 2001 project. She added that the scope of work has to be done a certain way according to a preservation agreement put in place in 2001 by the MHC. The consultant has yet to be selected as they're still working with the MHC who has a list of preferred consultants, she said.

Ms. Michalak recounted at the request of **Councilor Ciolino** that the last CPA funding to the museum was for a new deck on the porch which had a big crack in the granite step. She said the step was taken apart and repaired successfully. **Councilor Ciolino** asked about fire prevention with the wooden shingles. **Ms. Michalak** said that as part of the project it was required to put a coating on the shingles and whatever the building code says they will do that. She added that they don't have the specifications at this time are under the assumption that the preservation consultant will tell them what they need to do. **Councilor Ciolino** suggested that Ms. Michalak reach out to the Building Inspector for some information. She said the pre-treatment of the shingles is included in the overall estimated cost of the project pointing out there is a cushion in the budget for any surprises, especially for a house built in 1782 -- the older it is the more surprises.

Site Visit: None.

A motion was made, seconded and voted unanimously to adjourn the meeting at 6:57 p.m.

Respectfully submitted,
Dana C. Jorgensson
Clerk of Committees

DOCUMENTS/ITEMS SUBMITTED AT MEETING: None.