

**Budget & Finance Committee**  
Thursday, November 9, 2017– 5:30 p.m.  
1<sup>st</sup> Fl. Council Committee Room – City Hall  
**-Minutes-**

**Present: Chair, Councilor Scott Memhard; Vice Chair, Councilor Joseph Orlando; Councilor Joseph Ciolino**  
**Absent: None.**

**Also Present: Councilor Gilman (entered the meeting at 5:45 and left at 6:04 p.m.); Kenny Costa; Jim Destino; Interim Police Chief John McCarthy; Nancy Papows; Gary Johnstone; Beth Brousseau; Tim Good; Jill Cahill; Debbie Laurie; Mike Hale; Karin Carroll**

**The meeting convened at 5:30 p.m. Matters were taken out of order. Due to technical issues there was a small recess at the start of the meeting for corrective measures.**

**1. Memorandum from Interim Police Chief re: acceptance of FY18 State 911 Training & EMD Grant in the amount of \$120,952.75**

**Interim Police Chief John McCarthy** explained that several weeks ago he was before the Committee requesting permission to apply for this grant annual award from the State 911 Department for the purpose of training police personnel in Emergency Medical Dispatch and regulatory compliance for \$120,952.75. He said he was now before the Committee to ask that the Council accept the grant award of the no-match grant.

**COMMITTEE RECOMMENDATION: On a motion by Councilor Orlando, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council accept under MGL c. 44, §53A from the Massachusetts Executive Office of Public Safety and Security, a FY18 State 911 Department Training Grant and Emergency Medical Dispatch/Regulatory Compliance Grant for \$120,952.75. There is no local match for this grant. The grant period of this grant is from October 2, 2017 through June 30, 2018.**

**2. Memorandum from the Director of Public Health re: acceptance of the Peter & Elizabeth C. Tower Foundation in the amount of \$330,000**

**Karin Carroll**, Director of Public Health described the grant from the Peter & Elizabeth C. Tower Foundation as follows: This is a regional grant focused on youth substance abuse. The department had been awarded a smaller Tower Foundation grant previously. This grant is for three years with funding pegged at \$110,000 per year. This grant partially funds salaries and then there's a large research evaluation grant component which supplements the department's Mass. Dept. of Public Health grants based on evidence-based programs. The grant will allow for surveying what is happening in the regional area in terms of policies, practices, YRBSS (Youth Risk Behavior Surveillance System) data and programs for youth substance abuse. They will then make recommendations for standardization across the region.

**Councilor Ciolino** asked if this grant would filter to agencies in the city, as many of these agencies do what the Public Health Department does very well and asked if those agencies could be utilized and reimbursed for their time with this grant. **Ms. Carroll** said the funds are largely for staff and the research component but the grant will support those agencies as well as the regional partners. They will work with private foundations, private partners in the community, such as Action. The Councilor asked if they'll be duplicating information already in the community. **Ms. Carroll** said "No," that there is a need for consistent measures to identify gaps and reduce redundancies which this grant seeks to do. The information will be contained in an annual report to the Tower Foundation, but they will do more regular reporting to their regional area partners. The department staff will coordinate this grant. If there needs to be an advisory council for the Tower grant they will assemble one of various city agencies. The Police and Schools are a big part of this, she pointed out. **Councilor Ciolino** said that he didn't want to see another report gather dust and not be distributed to local groups. He highlighted the work of the North Shore Health Project in Gloucester.

**COMMITTEE RECOMMENDATION: On a motion by Councilor Orlando, second by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council under MGL c. 44, §53A accept a private grant of \$330,000 at a rate of \$110,000 per year from The Peter and**

**Elizabeth C. Tower Foundation for the purpose of exclusively supporting through the City of Gloucester, Mass. Health Department/Healthy Gloucester Collaborative to provide financial support to move substance abuse prevention efforts forward across the Cape Ann/North Shore region and reduce youth substance use, promote healthy development . There is no local match for this grant. The grant period of the grant is from November 1, 2017 through October 31, 2020.**

### **3. Memorandum from Principal Assessor re: Tax Classification Fiscal 2018**

**Nancy Papows**, Principal Assessor announced that values and new growth for FY18 were certified by the Department of Revenue on October 12. Referring to the Tax Classification Information for Fiscal Year 2018 (on file) documentation, she recounted that four options to consider as part of the tax classification process: 1) a residential factor must be adopted which determines the share of the tax levy that will be paid by each property class; 2) consider an Open Space discount; 3) consider a residential exemption; and 4) a small commercial exemption (there are no parcels under this option). NOTE: The adoption of different rates does **not** change the total property tax levy; rather, it determines the share to be borne by each class.

**Ms. Papows** then reviewed the Tax Classification Information for Fiscal Year 2018 (on file) with the Council: Page 4 – A Comparison of Fiscal 2018 Values by Class: The Residential class this year represents 89.87 percent (\$5,632,515,062) of the total value of the City, and Commercial/Industrial/Personal Property (CIP) class represents 10.13 percent (Commercial: \$351,927,798; Industrial \$171,493,100; Personal Property \$111,463,650) for a total of \$6,267,400,150. The taxable value of the city increased this year by 5.68 percent from FY17. Based on sales analysis, the residential class as a whole saw an increase of 5.23 percent. The individual classes within the residential class -- single family class, condominium class, two- and three-family and apartments all saw increases in the range of 3.5 to 7.0 percent. The commercial and industrial classes had an increase of about 3.5 percent this year. Pages 5 – Fiscal Year Parcel Counts, Values, and percent of Total Taxable City Value: The table on this page shows the parcel counts and the assessed values of each class from 2005 to present.

Page 6 – Previous Classification Factors and Resulting Tax Rate: The table shows the historic shift factors adopted over the years, and the associated residential shift factors. The 1.03 shift factor was adopted last year (prior to that for the last eleven years, shifting a portion of the residential tax burden to the CIP classes.

Page 7 – Calculating the Maximum Allowable Levy: The table shows the calculation of the maximum allowable levy for FY18. It starts with the levy limit from the prior year and added to that is the Prop 2-1/2 increase and new growth from Residential and CIP classes which results in the FY18 levy limit. Added to that is the Pole's Hill debt exclusion (which runs through 2019), the CSO debt, and the water debt shifts, which results in the maximum FY18 allowable levy at \$76,265.313 and the water debt exclusion. That figure divided by the total value of all parcels in the city results in the FY18 tax rate at a factor of 1.0 which is a tax rate of \$12.97 (down 27 cents from FY17). The tax rate at a factor of 1.0 would result in all properties paying the same rate for all classes of property. At a factor above 1.0, a portion of the residential tax levy would shift to a different class.

Page 8 – FY18 Tax Rate at a Factor of One = \$12.97, Shift in Tax Rate: This shows approximate tax rates that would result from the various shifts to the CIP class. The maximum shift allowed by the state is 1.5 percent (represented by 150%).

Page 9 – Comparison of Levy by Class at Various Shift Factors: Pages 9 further shows the levy by class and approximate shift of the levy and also shows the approximate excess levy capacity that results which is approximate based on a rounding of the tax rates when the tax recap is completed.

Page 10 – Change in Tax Dollars at Various Shifts: This shows the actual change in tax dollars for properties at different levels in terms of valuations (at various shifts). For instance, a property value at \$500,000 is the closest to the average single family home in Gloucester which is \$556,435 this year. At last year's shift factor of 1.03 that would save the residential taxpayer \$20 per year while the CIP taxpayer would pay an additional \$195. The extreme as shown at the bottom of the page shows that a \$500,000 property at a 1.5 shift saves the residential taxpayer \$365 annually while the CIP taxpayer would see an increase of \$3,245.

Page 11 – Open Space Discount and Residential Exemptions. This page explains the open space discount. There are no parcels defined as open space in the city at this time.

Page 11 and 12 Residential Exemptions and Page 13 – Small Commercial Exemption: The Mayor has not opted to adopt either the Residential or Small Commercial Exemptions.

#### **COMMITTEE DISCUSSION:**

**Councilor Orlando** observed that last year the shift was 1.03. The rate of \$12.97 at a factor of 1.0 is lower than last year at a factor of 1.0. **Ms. Papows** said it was correct -- values are increasing and the tax rate will

decrease. It is 27 cents lower per \$1,000 on every property at a factor of 1.0. **Mr. Destino** confirmed that it was but pointed out that values went up by 3% to 7%. Responding to **Councilor Orlando's** inquiry, **Mr. Destino** said the rate is 1.0 until the Council votes to shift it, but it is by Council vote only in order to set a rate. He said that the Mayor isn't supporting any of the exemptions. He added that the Mayor's Office is recommending that the CIP shift remain at 1.03 as it was in FY17 because by leaving the shift the same it leads to stability that helps people with their budgets. The Administration spends a lot of time talking to businesses about locating and staying in Gloucester, he noted, and that not once in three years has a business said anything about the shift being a deterrent to business -- rather it's about schools, quality of life and a trained workforce. The Mayor, he reiterated, would like to see some stability going forward and for the shift to remain at 1.03.

**Councilor Ciolino** suggested setting the residential tax classification factor at 1.00 and letting the Council decide. That concept was endorsed by both **Councilors Orlando** and **Memhard**. **Councilor Ciolino** said the reason he supports a Residential Classification of 1.0 for FY18 is that this may motivate more people, whether business people or residential home owners, to come to the Council public hearing when this matter is before them. **Councilor Orlando** highlighted that there is a discussion that businesses will just pass the cost along and said that he knew of many businesses that don't have the ability to pass that cost onto the consumer.

**COMMITTEE RECOMMENDATION: On a motion by Councilor Orlando, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed, to adopt a RESIDENTIAL TAX CLASSIFICATION FACTOR OF 1.00 for Fiscal Year 2018.**

This matter has been advertised for public hearing.

#### **4. Memorandum from CFO re: Preschool Feasibility Study**

**Mr. Destino** explained that the city's lease is up in September at 2 Blackburn Drive which currently houses the city's Preschool Program and the School District's administrative offices. He advised they are looking at existing space at the High School and the O'Maley Innovation Middle School to move the preschool to. They have asked Kevin Buckley of Knight, Bagge and Anderson, Inc. to conduct a feasibility study of possible alternative locations for the preschool operations. The feasibility study is expected to cost \$7,500. In order to fund the study he suggested that money be appropriated from the city's Capital Project Stabilization Fund.

**Councilor Ciolino** asked about design. **Mr. Destino** said that they've already identified the areas within each school but renovations are more difficult because the needs of preschoolers are different than that of high school or middle schoolers. **Councilor Orlando** asked which school is preferred. **Mr. Destino** briefly reviewed some of the unique needs and requirements that go with a preschool facility which dictate very particular renovations -- one regulation requires the need for both indoor play space and an outdoor recreation area. He also mentioned the issue of drop-off and pick up at both sites.

**Councilor Memhard** asked if they were looking at separate facilities for the School Department Administration. **Mr. Destino** said they're under the gun as the lease at 2 Blackburn is up in September. **Councilor Memhard** noted that the growth of the preschool has been tremendous. **Mr. Destino** said the administrative offices can go anywhere but the preschool is different. He pointed out that the cost to house the preschool at its current location to house 100 students is substantive. He noted that they may have to ask for a one-year lease extension noting that the base lease costs the city \$330,000 per year, responding to an inquiry by **Councilor Memhard**.

**Councilor Orlando** expressed he was pleased to see the city move away from leasing space and fully utilizing its existing facilities.

**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 2018-SA-1 for \$7,500 (Seven Thousand Five Hundred Dollars) from Account #760001-596006, Capital Projects Stabilization Fund, Transfers to Trust Funds to Account #760013-578034, Capital Projects Stabilization Fund Preschool Feasibility Study for the purpose of funding a Preschool Feasibility Study for the location of a city preschool.**

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

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

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

- A. Essex County Greenbelt Association Seine Field Handicap Access Trail Project \$ 5,000

**David McKinnon**, representing the Essex County Greenbelt Association (ECGA) explained ECGA applied for a DCR recreational trails grant and were denied. He said he comes before the Committee to say that the ECGA is still committed to providing universal access on their trails and properties. They will supplying the rest of the funds from their organization and are asking for \$5,000 in CPA funds to support this project. **Councilor Memhard** confirmed that this funding will be used specifically for the ECGA property on Farrington Avenue. **Mr. McKinnon** confirmed that it was for the Seine Field property to creating an ADA compliant trail.

**Councilor Ciolino** asked how an ADA trail is created. **Mr. McKinnon** explained there is a grade of 10% to be kept to and supply an even smooth surface by removing organic materials, applying plus gravel, landscape material, adding minus gravel in order for wheel chairs to utilize the trail (placing benches and signage along the trail will also be part of the renovation). He noted the gravel is crushed stone down to dust and is similar to driveway material. The total estimated cost of the project is \$21,375 coming from the Essex County Greenbelt Association plus the \$5,000 from CPA funding for a total of about \$26,375. **Councilor Ciolino** asked if the ECGA will meet with the neighbors. **Mr. McKinnon** said the loop trail already exists, of approximately 1,600 feet and the ECGA is just making it ADA compliant. He said the ECGA would do outreach with the neighbors.

**Councilor Memhard** asked if measures will be taken regarding roaming coyotes on the property to ensure the safety of those in wheelchairs as a coyote could perceive a person with limited mobility as easy prey. **Councilor Orlando** said that anyone could encounter a coyote on the property and deal with the same situation. **Mr. McKinnon** said it is a concern but that there are no real measures to be taken.

**Councilor Memhard** expressed his agreement with Councilor Ciolino that outreach to neighbors before the project breaks ground. There is no change in parking, **Mr. McKinnon** confirmed and that it is a CATA bus stop and is accessible.

Committee Site Visit: None.

- B. City of Gloucester/Stage Fort Park Stage Fort Park Restoration Plan \$32,944  
Advisory Committee & DPW

Appearing on behalf of the Stage Fort Park Advisory Committee was **David Dow** along with **Mike Hale**, Public Works Director. **Mr. Dow** explained that funds will be used in part for the restoration of the three cannons of the four cannons at the Fort location for the replacement of the cement bases with authentic wooden carriages; the fourth cannon is slated for restoration under Phase 2 of the restoration plan. The Historical Commission is in favor of this project, he said, but not until an archeological study is done. He advised that the Stage Fort Park Advisory Committee will oversee the cannon restoration as the path continuation of the Lucy Davis Pathway to the Fort. In Phase 2 it is hoped to fire two of the cannons during the Fourth of July and the Schooner Races, he noted.

**Mr. Hale** advised this request includes \$20,000 for an archeological study which he said is a worthwhile endeavor. It is an old area, and the study will help them design around anything that may be found as a result. He said that they don't know what they're looking for but need to look. Some studys preceded this, but they need to do their due diligence to make sure there's nothing there, he added. He assured that the study isn't invasive and will look to see what is filled and not, having an idea what was previously settled. If they find something of historical significance that can remain, be noted, recorded and the path may go over it; but in the future can be recovered.

**Councilor Orlando** expressed concern for shutting down a tourist attraction in season. **Mr. Hale** said the public won't even know that the archeological assessment is being undertaken so shutting down the Fort isn't an issue. **Mr. Dow** pointed out that there were barracks at the Fort before it burned down and soldiers lived there and they want to find it. **Councilor Ciolino** asked if the cannons were from the actual Fort. **Mr. Dow** said three cannons came from the Constitution Museum and were built for display. The artillery piece came from a detachment in Portsmouth, which will be a showpiece and will fire when restored. The total cost for the project is estimated at \$32,944. **Councilor Ciolino** said that the Stage Fort Park Advisory Committee is doing a great job in overseeing and protecting the park. **Mr. Destino** reminded that this restoration is assisting in the city's preparation of its 2023 anniversary.

Committee Site Visit: None.

C. Cape Ann Women's Softball League      Mattos Field Rehab Project II      \$34,120

**Patti Amaral** and **Patty Philbrick**, representing the Cape Ann Women's Softball League, explained that they and the Light Up Mattos Committee and the DPW have for the past two years embarked on the rehabilitation of Mattos Field named after Joseph S. Mattos, Jr., who died in World War I just one day after his nineteenth birthday. The last phase of the project is a new backstop to replace the current one which is very old and new fencing along the school and playground area. It was noted that the Mattos Field rehabilitation has been a true grassroots effort, with fundraiser after fundraiser to get to this point. They have a scoreboard being installed in the spring. The Mattos family has expressed their pleasure in the restoration of the field which is used by so many children and adults, especially those in the neighborhood with no immediate outdoor access. With the new lights and the new scoreboard it is anticipated that the field will be used more frequently by community groups. They are also looking into renovating the men's bathroom, and will look towards the city for assistance moving forward on that. Total estimated cost of the project is \$34,129. **Mr. Destino** said the amount being put forward by CPA funding is the city's total annual budget for maintaining its athletic fields, and so this is a good use of CPA funds.

**Councilor Ciolino** said that Stage Fort Park has its own advisory committee and each of these properties needs people like Ms. Amaral and Ms. Philbrick to guide the restoration and maintenance of the field to keep it growing.

Committee Site Visit: None.

D. Cape Ann Museum      Map Conservation      \$ 3,490

**Stephanie Buck**, on behalf of the Cape Ann Museum, said the museum has an 1851 Walling Map of Cape Ann, pre-Civil War, which shows the buildings and businesses with their names around the city. It also includes Eastern Point, West Gloucester and Rockport which many maps of that period did not. The small request is to conserve and digitize the map and prepare the map for display in the museum by framing it. The map will be cleaned and is about 3 foot by 2 ½ feet. The map is slated to be conserved, preserved and digitized at the Northeast Document Conservation Center. The total estimated cost of the project is \$10,000.

Committee Site Visit: None.

**A motion was made, seconded and voted unanimously to adjourn the meeting at 6:35 p.m.**

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

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