

Budget & Finance Committee
Thursday, December 7, 2017– 5:30 p.m.
1st Fl. Council Committee Room – City Hall
-Minutes-

Present: Chair, Councilor Scott Memhard; Vice Chair, Councilor Joseph Orlando; Councilor Paul Lundberg (Alternate)

Absent: Councilor Ciolino

Also Present: Kenny Costa; Jim Destino; John Dunn; Donna Compton; Gary Johnstone; Joseph Lucido; Jonathan Pope; Dr. Richard Safier; Chris Sicuranza; Deborah Laurie

The meeting convened at 5:30 p.m.

1. Review and Recommendations for the Disposition of Real Property re: Good Harbor & Wingersheek Beach Concessions

Jim Destino, CAO, reported that every three years the disposition of real property for beach concessions comes forward for a new lease. This is the same document as the last lease and he highlighted the few changes as follows:

- Page 11, 2. General Undertakings of Operator a. "... *Slush carts to be located at agreed upon locations by the operator and the contract manager.*" By way of explanation, for years the slush cart was adjacent to the concession stand. The new operator of the last three years put the cart on wide wheels and pushed it on the beach. The Mayor received complaints about its operation and wants it kept close to the concession, which was the previous location.
- Page 14 Specifications and General Conditions f. By way of background: Due to the unintended consequences of the single use bag and polystyrene clamshell container ban, this item now reads, "Dispensing Containers: the operator shall use only marine degradable paper plates, cups or other containers or accessories for the purpose of dispensing refreshments. Under no circumstances are glass, Styrofoam, polystyrene or plastic containers or accessories to be used for such dispensing of service by the operator or other contractors. Beginning on January 1, 2019, the operator or other contractors shall not use single-use plastic bags. It was noted this will cost the operator up to 10 times his previous costs and that it may mean less money for the minimum bid.
 - h. Parking Facilities #5 *Nonresident employees will receive an employee parking pass to be used on work days only. Anyone found violating the parking procedures shall lose all parking privileges.*
 - i) Operating Schedule: Addition of Special Events where the city will supply the paper products and cleaning supplies as well as staff the restrooms during the event. By way of background it was noted it was unfair to expect the operator before and after the high season to provide these services in April and May and September and October.

Mr. Destino noted an analysis was done by the Purchasing Agent, Donna Compton and Assessor, Gary Johnstone on comparable concession leases but not a lot of data was available. He explained that the previous three year lease came with a bid price of \$75,000 minimum bid for Good Harbor Beach Concession and \$65,000 for the Wingersheek Beach. He said the Administration is recommending a minimum bid of \$100,000 for Good Harbor Beach Concession and \$110,000 for the Wingersheek Beach Concession. He pointed out that in the last lease the city got \$125,000 and \$110,000 respectively.

Responding to Councilor questions, **Mr. Destino** said he couldn't say if there would be competition for the lease(s). The city can reject bids if the bids don't meet the city's expectation. Referring to the setting of the minimum bid, saying that the city may only get several bidders, and that the holders of the previous lease, new to running the concessions know the "game" better now, the Administration's recommendation is for a higher minimum bid.

Councilor Orlando asked if they know the current operator is making the profit they need. **Mr. Destino** said the beaches had a pretty good year and it's all weather driven. For the \$41,000 the leaseholder pays for the season at Good Harbor he said they do "okay."

COMMITTEE RECOMMENDATION: On a motion by Councilor Orlando, seconded by Councilor Lundberg, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve the disposition by means of a lease as provided in the Request for Proposal #18110 Good Harbor Beach Concessions, 99 Thatcher Road, Concessions & Restroom Operation Lease with a minimum bid of

\$100,000 and Wingersheek Beach, 232 Atlantic Street, Concession and Restroom Operation Lease with a minimum bid of \$90,000 pursuant to the terms and conditions as stated therein. Said term is to be a three year term from May 1, 2018 to November 1, 2020.

2. *Request from Co-Chair of the Gloucester Historical Commission to apply for a FY18 Survey & Planning Grant from the Mass. Historical Commission with a matching grant of \$30,000 (For Information Only & Placed on File pursuant to GCO Ch. 16, Sec. 16-1 "Grant Applications")*

Mr. Destino briefed the Committee that the Historical Commission continues its work on preserving the city's historic resources. Documentation being placed on file is about an application representing a \$30,000 grant; \$15,000 from the Mass. Historical Commission with a \$15,000 match the Commission has raised themselves: \$7,500 Babson Historical Trust and \$7,500 from Noel Mann. This money will be used to nominate the Stage Fort Park area which encompasses Stacy Boulevard and the Blynman Canal Bridge as a historic district. The Commission has been very active seeking designations throughout the city where it's found correct. He said a great deal of work goes into this process. This, he said, is another step of advocacy of the Commission to get Stage Fort Park that designation.

Councilor Orlando asked is having this designation does it handicap the city to make changes to the park; upgrade trails, etc., by such a designation. **Mr. Destino** said, "not at all." He observed that the only time they have such an issue when they take grant money. This is just for a designation which it is hoped will draw more people to Gloucester. The designation will allow the city to apply for more grants which they'll have to choose wisely so that future grant funds don't hamper the city's abilities to make changes as they see fit. He pointed out that with the city's 400th anniversary on the horizon they want to do as much as possible to tell the city's story.

3. *Memorandum from CFO re: Request for a loan order in the amount of \$1,000,000 to fund feasibility study for East Gloucester/Veterans Memorial Elementary Schools Project*

John Dunn, CFO, said this is the start of a project for a new elementary school. The city has to fund a feasibility study and from the Massachusetts School Building Authority (MSBA) viewpoint the study will give the city information on what the options are with the East Gloucester Elementary School. When the loan order was originally submitted, it was constructed through recommendation from the city's Bond Counsel but it had to be "vetted" by the MSBA. As a result, the MSBA came back through Bond Counsel that the language was too restrictive and wanted just the description of the East Gloucester Elementary School located at 8 Davis Street Extension used in the loan language so that all options can be explored -- all other language remains the same and the dollar amount stays the same. He conceded that \$1 million is a lot of money, and it is hoped it won't cost all of that. He advised they've obtained information from the MSBA as to what feasibility studies have cost as a percent of total estimated project cost as well as based on total enrollment. The \$1 million falls into range in the state, he noted. He said he'd prefer that the amount authorized in the loan be a bit higher than they need rather than not being able to sign a contract due to a shortage of funds. He advised this matter is time sensitive and said it is hoped to have the loan authorization voted at the December 12 Council meeting as the deadline is December 29 to get the documentation into the MSBA to make their February agenda which is set in January. He pointed out that the city wants to maintain its position at the MSBA's February meeting. After approval for the facility study, the city has 30 months to complete the study and complete schematic designs. The average timeframe is 19 months for most recent projects.

Dr. Richard Safier, Superintendent conveyed that the MSBA recommended a number of projects in 2016 to the School Department to review, and they reached out to Amesbury, Manchester-Essex Regional, Marblehead, Tewksbury and Ipswich which saw those school districts' feasibility studies ranging in cost of \$750,000 to \$1 million which also depended on the size of school and school configurations (student numbers) those districts were looking at. The mean average is \$900,000, he noted. He then reviewed as series of calculations based on the 2016 projects and suggested by looking at another range of Massachusetts school projects he concluded this means a possible feasibility study cost of about \$850,000 with five potential sites to be reviewed for a new elementary school. He said that given the five sites to be studied, the authorization of \$1 million makes sense to cover any contingencies.

Jonathan Pope, said when the new West Parish School was built it was on the same site even though MSBA required they look at the Fuller property and spent a fair amount to do so which gave a definitive answer. For this project they'll have to look at both sites of the existing schools and examine at least three other possible sites. He said it is their general opinion that the East Gloucester and Veterans sites may not work. He advised they're looking

Green Street where there is a substantial piece of city-owned land to Lake Pond Avenue which seems to be buildable and is in walking distance to many students. A parcel on Eastern Avenue, the Pines/Swinson's Field and a parcel on Harrison Avenue are also being taken into consideration. The Building Committee will prioritize the parcels before they put out an RFP for an Owner's Project Manager.

Councilor Orlando, observing that all these sites are in the East Gloucester district, asked if it's a priority that the building site be within that ward. **Mr. Pope** confirmed it was, noting that the East Gloucester and Veterans Schools are only about a mile apart. He said they want as many students walking as possible, and it could be a neighborhood school for some students. Access to parents is an important consideration, and if the new school is located off of High Popples Street, for many Veterans School parents it will be difficult for them to reach the school. He also highlighted that availability of utilities is a consideration for siting a school as well which is yet another reason why they bring in professional help to do this.

Councilor Memhard asked if the feasibility scope now preclude there being two schools rather than one consolidated elementary school. **Mr. Pope** said that the statement of interest to the MSBA was for East Gloucester and the MSBA said when they put out the RFP they'll mention that; but for the loan order the MSBA didn't want to tie the city into the consolidation. **Mr. Dunn** added that the MSBA wants the city to consider everything: two schools; multiple sites; a combined school and leave the options wide open as to what they instruct the contractor to do to bring back the best information in order to make a good decision.

Councilor Orlando noted the remaining two elementary schools, Beeman and Plum Cove in need of replacement. He asked if they can use this process to learn anything about replacing those two schools with the Beeman site being so large of putting two schools at that location. **Mr. Pope** said it wouldn't preclude doing that but it hasn't come up as a topic at the Building Committee. **Councilor Orlando** said he heard the idea from several different people the idea of building two schools at the Beeman site which then wouldn't require swing space. **Mr. Pope** said they could possibly consider that concept. He confirmed to the Councilor they must do the feasibility study, as it is an MSBA requirement.

Responding to an inquiry about the time from the feasibility study to opening the doors to a new school, **Mr. Pope** and **Mr. Dunn** confirmed that the average is 18 to 19 months to get a feasibility study done, taking the completion of it to the fall of 2019. There's the development of schematic design and the bidding of the project, and then it's about two years to build the school (time taken to build West Parish). **Mr. Dunn** said that it's about four to six years.

Councilor Memhard clarified for the record that the original loan order language included Veterans Memorial Elementary School in it and that is removed based on the instruction of the MSBA through Bond Counsel and was reconfirmed by **Mr. Dunn**.

COMMITTEE RECOMMENDATION: On a motion by Councilor Orlando, seconded by Councilor Lundberg, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council authorize the following loan order:

Ordered: That the City appropriate the amount of One Million Dollars (\$1,000,000) for the purpose of paying costs of a feasibility study for the East Gloucester Elementary School located at 8 Davis Street Extension, Gloucester, MA, including the payment of all costs incidental or related thereto, and for which the City may be eligible for a grant from the Massachusetts School Building Authority ("MSBA"), said amount to be expended under the direction of the Gloucester School Building Committee. To meet this appropriation the Treasurer, with the approval of the Mayor is authorized to borrow said amount under and pursuant to M.G.L. Chapter 44, or pursuant to any other enabling authority. The City acknowledges that the MSBA's grant program is a non-entitlement, discretionary program based on need, as determined by the MSBA, and any costs the City incurs in excess of any grant approved by and received from the MSBA shall be the sole responsibility of the City, and that the amount of borrowing authorized pursuant to this vote shall be reduced by any grant amount set forth in the Feasibility Study Agreement that may be executed between the City and the MSBA. Any premium received upon the sale of any bonds or notes approved by this vote, less any such premium applied to the payment of the costs of issuance of such bonds or notes, may be applied to the payment of costs approved by this vote in accordance with Chapter 44, Section 20 of the General Laws, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount.

This matter shall be advertised for public hearing.

4. *Community Preservation Committee Recommendations-Round 8, FY2017 Funds: Votes to recommend certain applications for CPA Act funding to the City Council*

Project#1 - Essex County Greenbelt Association: Seine Field Handicap Access Trail Project - \$5,000

COMMITTEE RECOMMENDATION: On a motion by Councilor Lundberg, seconded by Councilor Orlando, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council appropriate up to \$5,000 (Five Thousand Dollars) from the Community Preservation Act funds as recommended by the Community Preservation Committee for the purpose of the Essex County Greenbelt Association (ECGA) to rehabilitate and improve handicapped accessible trails on property known as the Seine Fields off of Farrington Avenue in Gloucester, Massachusetts. The appropriation will be allocated to the Open Space and Recreational category and funded from Open Space and Recreation Reserves in Fund #4510. The project will be tracked in the Community Preservation Fund – Open Space Projects Fund #4604.

Project#2 - Stage Fort Park Advisory Committee/Public Works Department of the City of Gloucester Stage Fort Park Restoration Plan - \$32,944

COMMITTEE RECOMMENDATION: On a motion by Councilor Orlando, seconded by Councilor Lundberg, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council appropriate up to \$32,944 (Thirty Two Thousand Nine Hundred Forty Four Dollars) from the Community Preservation Act Funds as recommended by the Community Preservation Committee, to the Stage Fort Park Advisory Committee/Public Works Department, for the purpose of the restoration and preservation of the Stage Fort Park “Fort” including a historical survey and cannon carriage replacement in order to restore 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 #5807.

Project#3 - Cape Ann Museum for Map Conservation - \$3,490

COMMITTEE RECOMMENDATION: On a motion by Councilor Lundberg, seconded by Councilor Orlando, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council appropriate up to \$3,490 (Three Thousand Four Hundred Ninety Dollars) from the Community Preservation Act Funds as recommended by the Community Preservation Committee, to the Cape Ann Museum, for the purpose of the restoration and preservation of the Walling Map 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 Projects Fund #4732.

Project#4 - Sargent Murray Gilman Hough House Assoc. for Museum’s Failing Roof - \$61,500

COMMITTEE RECOMMENDATION: On a motion by Councilor Orlando, seconded by Councilor Lundberg, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council appropriate up to \$61,500 (Sixty One Thousand Five Hundred Dollars) from the Community Preservation Act Funds as recommended by the Community Preservation Committee, to the Sargent Murray Gilman Hough House Association, for the purpose of the restoration and preservation of the museum’s roof 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 Projects Fund #4733.

Project#5 - Ocean Alliance, Inc. for Capital Improvement to sea wall/foundation of Bldg. E of the Tarr & Wonson Paint Manufactory - \$18,000

COMMITTEE RECOMMENDATION: On a motion by Councilor Lundberg, seconded by Councilor Orlando, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council appropriate up to \$18,000 (Eighteen Thousand Dollars) from the Community Preservation Act Funds as recommended by the Community Preservation Committee, to the Ocean Alliance, Inc., for the purpose of the

restoration and preservation of the seawall and foundation of Building E of the Tarr & Wonson Paint Manufactory 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 Projects Fund #4734.

Project#6 - Lanesville Community Center for Virginia Lee Burton Little House - \$30,000

COMMITTEE RECOMMENDATION: On a motion by Councilor Orlando, seconded by Councilor Lundberg, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council appropriate up to \$30,000 (Thirty Thousand Dollars) from the Community Preservation Act Funds as recommended by the Community Preservation Committee, to the Lanesville Community Center for the purpose of the restoration and preservation of the studio of Virginia Lee Burton 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 Projects Fund #4735.

Project#7 - Gloucester Cemeteries Advisory Committee for Historic Cemetery Repair - \$9,500

COMMITTEE RECOMMENDATION: On a motion by Councilor Orlando, seconded by Councilor Lundberg, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council appropriate up to \$9,500 (Nine Thousand Five Hundred Dollars) from the Community Preservation Act Funds as recommended by the Community Preservation Committee, to the Gloucester Cemeteries Advisory Committee, for the purpose of the restoration and preservation of the historic headstones in the First Parish Burial Ground and the adjoining Clarks Cemetery in order to restore 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 #5808.

Project #8 - Cape Ann Women's Softball League & DPW for the Mattos Field Rehabilitation Project II - \$34,129

COMMITTEE RECOMMENDATION: On a motion by Councilor Lundberg, seconded by Councilor Orlando, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council appropriate up to \$34,129 (Thirty Four Thousand One Hundred Twenty Nine Dollars) from the Community Preservation Act Funds as recommended by the Community Preservation Committee, to the Cape Ann Women's Softball League/Public Works Department for the purpose of the continued rehabilitation of Mattos Field under the Mattos Field Rehabilitation Project II. The appropriation will be allocated to the Open Space and Recreational category and funded from Open Space and Recreation Reserves in Fund #4510. The project will be tracked in the Community Preservation Fund – Open Space and Recreational Capital Projects Fund #5717.

These matters will be advertised for public hearing.

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

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

A motion was made, seconded and voted unanimously to adjourn the meeting at 6:08 p.m.

Respectfully submitted,
Dana C. Jorgensson
Clerk of Committees

DOCUMENTS/ITEMS SUBMITTED AT MEETING: None.