

Budget & Finance Committee
Thursday, March 22, 2018– 5:30 p.m.
1st Fl. Council Committee Room – City Hall
-Minutes-

Present: Chair, Councilor Melissa Cox; Vice Chair, Councilor Scott Memhard; Councilor Ken Hecht
Absent: None.

Also Present: Kenny Costa; Jim Destino; John Dunn; Deputy Harbormaster Chad Johnson; Karin Carroll; James Pope; Grace E. Poirier

The meeting was called to order at 5:34 p.m. Matters were taken out of order.

1. Supplemental Appropriations-Budgetary Transfer Requests from DPW Director 2018-SA-18, -19, & -20

John Dunn, speaking on behalf of DPW Director Mike Hale, who was unable to attend the meeting, explained that there are three appropriations from the Highway Force Account. Funds go into this account are funded from street opening permits. Regarding **2018-SA-18**, the \$10,000 transfer is for sewer drain covers; regarding **2018-SA-19**, the \$10,000 transfer is for tree maintenance on the streets; and regarding **2018-SA-20**, the \$30,000 transfer is for additional street paving.

COMMITTEE RECOMMENDATION: On a motion by Councilor Hecht, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2018-SA-18 in the amount of \$10,000 (Ten Thousand Dollars) from the Highway Force Fund, Transfers to the General Fund, Account #32085-596001 to the Sewer Enterprise Fund, Drain Cover Supplies, Account #640052-553012 for the purpose of funding various cover/manhole replacements during paving projects in the City of Gloucester.

COMMITTEE RECOMMENDATION: On a motion by Councilor Hecht, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2018-SA-19 in the amount of \$10,000 (Ten Thousand Dollars) from the Highway Force Fund, Transfers to the General Fund, Account #32085-596001 to the General Fund, DPW Public Services, Care of Trees, Account #0147052-529005 for the purpose of funding public street tree maintenance projects in the City of Gloucester.

COMMITTEE RECOMMENDATION: On a motion by Councilor Hecht, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2018-SA-20 in the amount of \$30,000 (Thirty Thousand Dollars) from the Highway Force Fund, Transfers to the General Fund, Account #32085-596001 to the General Fund, DPW Public Services, Repairs & Maintenance - Paving, Account #0147052-524014 for the purpose of funding street paving projects in the City of Gloucester.

2. Memorandum & Special Budgetary Transfer Request from Harbormaster/Waterways Board: 2018-SBT-4, -5 & -6

NOTE: *Special Budget Transfer Requests 2018-SBT-4,-5, & -6 are now Supplemental Appropriations 2018-SA-21, -22 & -23*

Deputy Harbormaster Chad Johnson reviewed the three Special Budgetary Transfers. Regarding **2018-SA-21** he explained that the Harbormasters Department has no communication system that talks to Police and Fire Departments (Police and Fire have UHF radios and the Harbormasters Department currently uses standard VHF radios). The radios that the Fire Department uses are too expensive; however, Sean Bouchie of the Police Department directed the Harbormasters Department to the Motorola radios and will support the two radios (one on the boat and one shoreside). These two will be adequate. They are good quality and waterproof. Regarding **2018-SA-22**, he explained that during a minor repair to the 25 foot 1994 Cabin Parker recently acquired by the Harbormasters Department, a lot of rot on the transom was discovered. Repairing the boat (essentially

replacing the entire transom) will cost about \$10,000 (the Fire Department will cover \$2,000 of the repairs). While the repair is expensive, to replace the boat would cost \$300,000. The repair is expected to last a long time. Regarding **2018-SA-23**, he explained that extra help was needed to cover the three big storms, as well as the subsequent cleanup of trash and debris from the storms.

COMMITTEE RECOMMENDATION: On a motion by Councilor Hecht, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2018-SA-21 in the amount of \$3,000 (Three Thousand Dollars) from Waterways Enterprise Fund, Undesignated Fund Balance-Retained Earnings (“Free Cash”) Account #7000-359000, to Waterways Enterprise Fund, Repairs & Maintenance - Communication Equipment, #700052-524006, for the purpose of purchasing two (2) new response radios to communicate with the Fire and Police Departments for use by the Harbormaster’s Office.

COMMITTEE RECOMMENDATION: On a motion by Councilor Hecht, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2018-SA-22 in the amount of \$8,000 (Eight Thousand Dollars) from Waterways Enterprise Fund, Undesignated Fund Balance-Retained Earnings (“Free Cash”) Account #7000-359000, to Waterways Enterprise Fund, Repairs & Maintenance – Boat & Marine Maintenance, #700052-524037, for the purpose of repairs to 25 foot Parker Harbormaster’s Department boat’s stern transom fiberglass.

COMMITTEE RECOMMENDATION: On a motion by Councilor Hecht, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2018-SA-23 in the amount of \$5,000 (Five Thousand Dollars) from Waterways Enterprise Fund, Undesignated Fund Balance-Retained Earnings (“Free Cash”) Account #7000-359000, to Waterways Enterprise Fund, Salaries & Wages - Temporary, #700051-512000, for the purpose of paying for part-time Harbormaster’s Department employees’ salaries of unexpected hours due to storm coverage.

3. *Acceptance of grant from the MA State Historical Records Advisory Board & MA General Court in the amount of \$1,227.75*

Gloucester Committee for the Arts member Catherine Ryan and her two sons, Charles and George King appeared to represent the grant. Mistery King explained that they did not have enough money for the case (to house the Civil War coat) so they applied for a second grant through SCHRAB. They also read into the record the names of the donors who contributed to the Civil War coat restoration (on file). **Councilor Hecht** confirmed that the donations equaled about \$7,000. The grants were contingent on private funding. **Councilors Cox, Hecht and Memhard** thanked Ms. Ryan and Mistery King for their hard work in raising the funds.

COMMITTEE RECOMMENDATION: On a motion by Councilor Hecht, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council accept under MGL c. 44, §53A a grant from the Massachusetts State Historical Records Advisory Board (SHRAB) through the Massachusetts Secretary of State’s Office in the amount of \$1,227.75 to the Gloucester Committee of the Arts for the purpose of supporting the preservation of the City of Gloucester’s Civil War Uniform Coat.

4. *Memorandum from Public Health Director re: acceptance of upward amendment to the MA Opiate Abuse Prevention Grant in the amount of \$75,000*

Karin Carroll, Public Health Director reviewed the grant with the committee. The grant is a 3 year grant at \$100,000 per year. In January/February 2018 an additional \$75,000 was given and it must be spent by July 1, 2018. There are three main components to the upward amendment:

1. Funding a pilot program with Lahey to transport patients from the ER to a detox facility in Massachusetts. \$30,000 is going to this program.
2. Funding Action Inc. to support “Another Day of Our Place”, a community-based day program for people in recovery who need a place to go during the day. The program is offered one and a half days per week and is based at Saint John’s church. \$26,000 is going to this program. Action Inc. is the manager and fiscal agent for the program.

The High Risk Task Force determined that the funds be used for extending the program to an extra half day for the program.

3. Funding participants in the Recovery Coach training held at North Shore Community College. The Recovery Coach training is \$5,000 and the Recovery Coach Supervisor training is \$2,200.

4. A small portion of the funds is going to program support and training associated with overdose and prevention for the Grace Center.

Regarding the pilot program, **Councillor Cox** requested that Ms. Carroll report back to the Budget and Finance Committee and/or City Council on the outcome of the program. **Ms. Carroll** anticipated being able to offer such a report (as well as Lahey's evaluation of the pilot) in the late summer or fall of 2018.

Regarding the "Another Day of Our Place" program, **Councillors Cox** and **Hecht** expressed concerns they have received from that neighborhood regarding the continued placement of such programs in that neighborhood. **Councillor Cox** pointed out that while these programs "are of value", the same neighborhood is being inundated with these programs. **Ms. Carroll** reported that she has also received some complaints regarding this issue over the past few months. **Councillor Cox** asked Ms. Carroll to reach out to Action Inc. to determine whether they can use their own space for the program in order to bring it out of that neighborhood and to determine other possible locations for such programs. **Councillor Hecht** suggested that as more funding is received extending coverage hours of these programs should be explored, with the overall goal being of extending hours of support.

Councillor Memhard requested through Jim Destino, CAO, that the city participate as a municipality in the opioid litigation and is looking for an update on the potential role the city might participate in to obtain funding for this hard hit population. **Mr. Destino** said that the city is currently looking into this and is close to making a decision.

COMMITTEE RECOMMENDATION: On a motion by Councilor Cox, seconded by Councilor Hecht, the Budget & Finance Committee voted 3 in favor, 0 opposed, recommend that the City Council accept a federal grant under MGL Chapter 44, §53A, an Opioid Abuse Prevention Collaborative grant amendment from the U.S. Department of Health and Human Services passed through the Massachusetts Department of Public Health, Bureau of Substance Abuse services in the amount of \$75,000 for the purpose of activities associated with the High Risk Task Force. This amended amount is to be expended by June 30, 2018.

5. CC2018-007 (Lundberg/Cox) Election of City Auditor pursuant to the City of Gloucester City Charter Sec. 2-7(a)

Mr. Costa gave a brief overview of his municipal audit experience. He has been the City Auditor for the City of Gloucester for the last 8 years; previously he was the Assistant City Auditor for the City of Somerville and prior to that worked as an outside auditor for two municipal auditing firms. He has eighteen years of municipal audit experience. He then reviewed the status of three of the goals that were set at his last reappointment meeting two years ago. **Goal #1: Free Cash:** over the past two years there have been two successful Free Cash certifications. To further explain, he passed out a graph (on file) of the City's Free Cash earning. **Goal #2: Annual City Audit:** Mr. Costa completed a 3 year audit contract with Roselli and Clark. Previously the City was spending \$90,000 annually for audit services. He has been able to secure a verbal three-year commitment with Roselli and Clark for annual audits at a cost of \$70,000 per year. This is a savings of \$20,000 per year. **Goal #3: Issuance of the CAFR** (Comprehensive Annual Financial Report) FY17. **Mr. Costa** said that this is a big accomplishment for the city's finance team. Only 40 communities in Massachusetts issue this level of a report. In addition to maintaining the goals going forward, **Mr. Costa** gave some new goals:

1. RFP for OPEB (Other Post-Employment Benefits) through the actuarial service GASB 7475
2. Fill the vacancy in his office for the position of the General Ledger Accountant
3. Attend the Munis User Conference and share new knowledge with his office and other city departments
4. Help the Budget and Finance Standing Committee and City Council with the FY19 budget and beyond
5. Continue to provide guidance to Community Preservation Committee

Mr. Costa said he appreciates working with the finance team, as well as the Budget and Finance Standing Committee and City Council, and appreciates their support.

Councillor Cox read into the record a letter of support of Mr. Costa's reappointment from the Dana Jorgensson, Clerk of Committees (on file). She then said that she learned a lot about municipal finance from Mr. Costa, and that he has her full support. **Councillor Memhard** also appreciated his guidance. **Councillor Hecht** thanked him for his help.

COMMITTEE RECOMMENDATION: On a motion by Councilor Hecht, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 in favor, 0 opposed, recommend that the City Council pursuant to City Charter Sec. 2-7(a) concerning the election of the City Auditor, recommends that the City Council elect Kenny Costa as the City Auditor for a term of April 2018 to April 2020.

6. *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 (on file) with the Committee.

A motion was made, seconded and voted unanimously to adjourn the meeting at 7:05 p.m.

Respectfully submitted,
Grace E. Poirier
Assistant City Clerk

DOCUMENTS/ITEMS SUBMITTED AT MEETING: Donor List; Free Cash Chart; Letter of Support of Mr. Costa's reappointment