

**City Council Standing Committee
Budget and Finance – SPECIAL MEETING
Tuesday, November 16, 2010 – 6:00 p.m.
First Floor Conference Room, City Hall**

PRESENT: Steven Curcuru, Chairman; Paul McGeary, Vice Chair; Councilor Jacqueline Hardy
Absent: None

Also Present: Councilor Joseph Ciolino; Jeffrey Towne, CFO; Kenny Costa, City Auditor; Sarah Garcia, CDD Director; Matt Lustig, Project Manager; and members of the Community Preservation Committee: JJ Bell, and Sandy Ronan, Co-Chairs; Karen Gallagher, Jan Bell, Steve Pardee, and Dan Morris. Also in attendance were: Maggie Rosa, Chair, City Hall Restoration Committee, Steve Dexter, City Hall Restoration Committee; Jim Schoel, GHS; Brian Tarr, Asst Superintendent of Schools

The meeting was called to order at 6:10 p.m.

The Special Budget and Finance Committee meetings have been called to discuss the Memorandum from Ms. Garcia regarding the FY10 – FY11 Community Preservation Committee’s first round of funding/project applications. Discussion on these items are continued from the Budget and Finance Committee Meeting of October 21, 2010; Special Meeting on October 27, 2010; Budget and Finance Committee of November 4, 2010; and Special Meeting on November 10, 2010.

Items were taken out of order.

Mr. Lustig reported on additional items that had been requested at previous meetings. He stated that information was received from the Schooner Adventure and the Unitarian/Universalist Church. They were provided to the Committee this evening.

- 2. Gloucester High School (Jim Schoel),
Wostrel Environmental-Adventure Center
Open Space-Recreation
\$10,100**

Speaking for the proposal: Jim Schoel, GHS Teacher.

Mr. Schoel read from a journal by a student, which reflected the student’s impressions of nature and how he feels about the work going on behind the high school at Dun Fugin’ Highlands. **Mr. Schoel** also provided photos of the students doing work to develop land in certain ways and under requirements of the Conservation Commission. The Conservation Commission has given their permission for this mitigation with removal of maple trees; developing a challenge course; horticultural center; rock climbing; and, in the future, a greenhouse.

He also stated that this began with Salem State and the aquaculture lab, which is used as a classroom; further, that the history of adventure-based learning in the area goes back 30 years, starting with Project Adventure. From the initial foray, developed within Gloucester’s school personnel, came the idea of adventure-based counseling which consists of a series of activities and norms with young people to process issues through activities such as risk activities; establishing trust; and, teaching students to care for one another.

Mr. Schoel added that the outdoor classroom is in operation and money is available to add and build a workshop and storage space, as well as a place to work on boats for dory rowing. Mac Bell has provided dory storage. A community garden, tying in with the Food Project and Culinary Arts Program at GHS has now started. There are many tie-ins with the school and there is a vision of the garden, adventure area, aquaculture as a beginning point to grow into a viable activity-based operation.

He also explained that the property is covered with Norway Maples, which are killing everything nearby and mitigation has to take place in terms of cutting trees. The cost is \$3000 to take out a large tree in order to plant the community garden. The Conservation Commission has determined that if one tree is taken out, it must be replaced by two trees. Further, students are doing all the work, learning while working.

Comments and Questions.

Ms. Ronan reported that she supports this project because it combines open space and recreation-education. She felt that, to the CPC, this was a project that was in the spirit of the CPA. Further, this is supported by the Conservation Commission and other groups.

Mr. Bell stated that Mr. Schoel requested \$10,000 for the project; that a community member has given a grant of \$10,000; and, there have been several other grants, with the total budget for the Project being \$36,100.

On question of **Councilor Hardy**, **Mr. Schoel** responded that the Conservation Commission has approved the removal of twenty large trees, and requires two trees replaced for each tree removed.

Mr. Schoel also stated that 35 students have been directly involved; however, it is hoped more would become involved in the project with a balance of special needs and regular education students.

Mr. Tarr stated that the clam shack is directly behind the new wing of GHS. He invited the Committee to visit the site and see what is developing. Further, the Conservation Commission has been involved; and, the students are learning to protect and enhance the environment. Lastly, he said it is worth the visit.

Councilor McGeary commended Mr. Schoel on the work that he has done,. He questioned the division between Open Space/Recreation and Historic Preservation. **Ms. Ronan** responded that this project is divided between Open Space and Recreation and that some projects fall under more than one category.

Councilor Hardy questioned the project being checked, on the application, as Historic Preservation. **Mr., Lustig** stated that this was to merely suggest it may pertain to the project; and, **Mr. Schoel** stated he checked because of the historic value of Dun Fugin,

Councilor Ciolino suggested investigating local nurseries in that they are now clearing trees and good stock is available reasonably. He stated this is a terrific program with two good components.

The Community Preservation Committee recommends the appropriation of \$10,100 to GHS (Jim Schoel) for the removal of invasive tree species and replanting of native species at the Worstrel Environmental-Adventure Center. The CPA spending purpose for this appropriation is to create recreation and open space.,

**1. Community Development Department
Dogtown/North Gloucester Woods Preservation Planning
Open Space
\$30,000**

Speaking for this proposal: Sarah Garcia, Community Development Director

Ms. Garcia stated that his project falls under the category of Open Space and is a request for funding for a North Gloucester Woods study. She said she had a student volunteer from Rockport who took a GPS, mapped the fire woods in N, Gloucester, and wrote a report. This area was chosen because there is no official boundary of Dogtown. Further, the northern portion is privately owned and undeveloped with the lower portion being impelled by the threat of development. There is also a need to preserve the watershed. She also stated that the northern portion is identified as a risk in that it is not public land and one must look into long-term plans. She also noted that the city never looks at right of ways, or who owns the land/parcels. There are 105 parcels north of the public owned land in Dogtown and Babson Watershed.

Ms. Garcia also commented that there are two goals – public access into the interior and dealing with the intense pressure of quarry use. The options are to shut down access or to manage in some way. She noted that Rockport manages the Steel Derrick quarry effectively and that quarries are an asset if managed properly; however, it is a sensitive issue. She noted that the 1984 Dogtown report is on line; that this is a citizen driven process; and, a map and web page have been created.

She closed by reporting there had been a Lanesville meeting November 15th on this project with approximately 40 people in attendance. That the \$30,000 request is to let the committee (task force) inventory titles and deeds at the Registry of Deeds to research properties that are critical to rights-of-ways; and, talk to Rockport to find how they manage the Steel Derrick effectively. She stated that it is worth the City's while to pay attention to roads they do/do not own.

A title abstractor and land surveyor will be used to gather information to complete the inventory and to obtain legal advice to determine the legal status of public access through the area.

Ms. Garcia stated that \$30,000 seems to be adequate to get the project moving along. CDD will manage with Steve Winslow as Project Manager. Also, the money is not for land purchase; however, the project could enable the CDD to set up and look for a Grant to buy the land if needed.

Comments and Questions.

Mr. Bell stated that the use of the project funding is a permissible use which may come up with a preservation plan allowing, in the future, purchase of open space.

On questions of **Councilor Hardy**, **Ms. Garcia** stated that other sections of the city will be looked at a later time; and that CDD plans for access while DPW manages in the long term.

Councilor McGeary questioned how many acres are involved, and **Ms. Garcia** stated there are 105 parcels with trails mapped through the GIS. She will provide the exact number of acres to the Committee.

Ms. Garcia also stated there was good dialogue with the people at the Lanesville meeting. Further, she stated she would like to begin as soon as the funding is available and will go back to the community in late February to discuss further options.

Ms. Ronan reported that the CPC is supportive of the project in that it would like to keep open space and felt this project is solid and exciting in terms of possibilities of where it would lead, enabling land purchase and public access.

Mr. Costa on question of **Councilor Curcuru** stated that the project would be managed by the City; and that land purchase in the future would be more of a Capital Project. **Mr. Towne** commented that 30B requirements would be used for services such as title research.

Councilor Curcuru asked about the participation of Mr. Winslow, who is working under a Grant. **Ms. Garcia** stated that Mr. Winslow is tied into the project under the action plan of the Mass in Motion Grant which includes open space. He is eligible to work as Project manager under this Grant.

Councilor McGeary questioned where the easements would lead; and, commented this is a good time to find what is out there. **Ms. Garcia** stated that it will be interesting to find what comes out of the Deeds, in that easements may be included.

Mr. Costa stated that the CPA funding and grant funding must be kept separate, and the Project Manager oversight is grant funded.

The Community Preservation Committee recommends the appropriation of \$30,000 to the Gloucester Community Development Department to create an existing conditions inventory to be used to develop a preservation plan for the Dogtown/North Gloucester Woods area. The CPA spending purpose is to plan for the ultimate acquisition of open space.

3.City Hall Restoration Commission

City Hall Restoration – Completion of the Exterior Restoration Historic Preservation

\$195,000 (20 Year Bond @ 3.75% - \$185,000 per year plus one-time transaction costs of \$10,000 - \$15,000)

Speaking for the proposal: Maggie Rosa, JJ Bell, and committee members

Ms. Rosa acknowledged the people involved in the City Hall Restoration and CPC Committees. She explained that this project would be an ongoing exterior restoration of City Hall and funding will be used to fund architectural and engineering plans in order to restore and rehabilitate the deteriorating elements of the building's exterior. This includes the remaining two lower tiers of the tower, ventilators, decorative cornice, windows, and entrance portions. She further stated that the CHR Committee reviewed the live experiments as to how vital City Hall is to businesses downtown.

Ms. Rosa pointed out that the first portion of the exterior renovation was funded by an emergency grant, insurance funds, and funds allocated by the City Council. She said there was money left over to allow the beginning of the next project which was flashing and gutters on the main building. During this project, the lean of the tower became unquestionable and after measurements of the mis-alignment of the tower, it was determined it was in danger of collapse. The city council authorized a loan Order of \$1.3 million

which enabled the hiring of an architectural firm which did an extensive analysis of City hall and what it would take to repair. The tower was straightened and strengthened and the two upper sections are complete. This finished work can be seen from inside the tower.

Ms. Rosa continued by saying that the tower is strong and is in no danger, but the exterior trim of the building is significantly deteriorating and is a safety issue. Restoration is needed and necessary on the windows, wood trim and exterior. . No work is planned for the interior of the building. She stated that, with this mission in mind, application was made to the CPA for funding. And, that one of the major reasons for passage of the CPA in 2008 was City Hall in that it is the poster child of the city housing art work, WPA murals, archives, community center and administrative center as it has been doing for 139 years.

The CPC worked with **Mr., Towne** on the budget for this project and the \$2.6 million will cover the lower two sections of the tower, cornices, porches, ventilators and windows.

Comments and Questions.

Councilor Curcuro questioned what happens after this portion is complete, and **Ms. Rosa** stated that what needs to be done is masonry work. Further, this is a question for the city to determine.

With regard to window work, some of the windows will be rehabbed/tightened under the \$2.6 million request. Further, the project would begin as soon as the process is complete, including the bonding.

Mr. Bell stated that the work could begin at the first quarter of next year; that it would take approximately four months to do the architectural work; and, two months for competitive bidding. Construction would take approximately nine months. Architectural work would cost approximately \$274,000 with a contingency fee of 10 – 15%.

Councilor Hardy asked who would be in charge of project management. **Ms. Rosa** stated it would be the DPW and questioned whether it would be the Facilities Manager that is in the process of being hired. She noted that Steve Pardee, committee member, had oversight of the first part of the tower rehabilitation. **Councilor Curcuro** commented that it is not the intention to tax the new Facilities Manager given other planned projects, the schools, etc.

Mr. Bell commented that both Mike Hale and Mark Cole serve on the CH Restoration Committee.:

With regard to the tower building committee, there was discussion on having a new building committee for this new proposed project in that the first phase of the tower rehabilitation is complete and the building committee is no longer in place.

Mr. Costa recommended a paid Clerk of the Works be hired and **Mr. Bell** agreed. **Councilor Curcuro** questioned how this would impact the cost of the project; and **Mr. Pardee** said this was not factored in the cost; however, it would allow for keeping track of what is happening and addressing issues that arise.

Mr. Towne also favors hiring a strong Clerk of the Works; however, noted the funding would have to be structured.

Councilor Hardy questioned the funding request of \$3.6 million vs \$2.6 million. **Ms. Rosa** explained that the committee originally asked for \$3.6; however negotiated down to \$2.6 after conversations with the CPC, and agreement on the \$2.6 million with the possibility of going back to the CPC with additional funding request.

Councilor Ciolino stated that City Hall is the jewel of the city and should be preserved.

Councilor Hardy and Mr. Dexter discussed restoration of the windows, and those that have been completed. **Mr. Dexter** stated that continued maintenance in City Hall would alleviate air coming into the building and there are simple methods to tighten the windows.

Mr. Towne noted that City Hall is a building difficult to regulate as far as heating, given the condition of the windows. He also commented that the building needs a new heating system, electrical and alarm work.

Ms. Bell stated that City Hall has been neglected and the work has to begin as City Hall is the skyline, a beautiful building and there is so much to be done.

Mr. Bell noted that the CPC had asked the CH Restoration Committee to reduce their request from \$3.6 million to \$2.6 million. Further, the \$2.6 million will include the windows. He also stated that a yearly maintenance schedule has never been implemented, and the CPC recommended this implementation which would not be expensive if started and continued. He also stated that money was raised from private sources to fix the clock. Also, application is going forward for a National Historic Landmark designation for City Hall. The CPA, he noted is designed specifically for projects such as City Hall restoration.

On question of **Councilor Curcuru**, **Mr. Bell** stated that CPA funds could be used for the Legion building. **Councilor Curcuru** thanked **Mr. Dexter** for getting work started on the schools.

Ms. Rosa spoke of the Post Office basement storage, which houses city records and completed through the City Hall Restoration Committee.

Ms. Ronan noted that work must start somewhere; that there are endless costs; however, there are possibilities for more grants and borrowings.

Councilor Hardy stated that she does not feel the city offices should be in City Hall. She questioned whether there would be other/additional grant monies available should the city offices be removed from City Hall. **Ms. Rosa** said she did not think so.

Councilor Ciolino recommended looking to the future, using the Saunders House as an example. And, **Mr. Towne** commented on the money he spends on Main Street, given the closeness to City Hall. .

Councilor McGeary said that old buildings can work, but it is not cheap and questioned the wood restoration project. **Ms. Rosa** said that two sections can be done, replaced or restored, whatever is necessary. **Councilor McGeary** also spoke to the restrictions on windows imposed by the Historic District Commission,

Ms. Ronan spoke to projects in other cities, including endless City Hall projects across the area. **Ms. Rosa** referenced Needham City Hall which was an \$18 million project.

Mr. Pardee commented that City Hall is a historic structure that has to be repaired and maintained, and **Mr. Dexter** noted that the more work on City Hall, the more efficient it will become. He also commented that it is one of the oldest seats of municipal government in the United States.

Mr. Bell said that, even if city workers are moved out of City Hall, the building stays and it is of emotional importance.

Councilor Hardy said it is time to invest on the inside of City Hall, not just the outside.

Financial discussion:

Mr. Bell made the following points:

- The bond is a 20 year level funded bond;
- Bonding under the CPA is allowed and commonly used;
- Sixty CPA communities have bonded for \$170,000 million;
- Bonding is commonly used for projects such as Libraries and City Halls;
- 143 communities have been under the CPA for the past ten years and not one community has opted out. Citizens have the right to opt out of CPA after five years;
- If a community opts out, the bond stays in place, and CPA has to take into account the liabilities with the local surcharge being reduced to accommodate;
- This does not affect the General Fund; and,
- The time is right as CPA money is designed for projects such as this.

Ms. Ronan added that, if an opt out, there are no other CPA projects allowed.

On question of **Councilor Hardy**, **Mr. Towne** stated that the rate is locked in for the life of the bond, a 20-year level funded debt. He also stated that Capital Projects are typically 20-years.

Councilor McGeary asked if this would count toward the City's debt load. **Mr. Towne** stated that this is a separate funding mechanism and would not negatively impact the bond rating.

Mr. Costa noted that \$390,000 is now available; however, the remainder of the money has to wait until DOR certifies the balance sheet. He is currently waiting for that response/certification.

Mr. Towne spoke to a cash flow statement, in order to know how much is needed. The full amount of the bond would not be borrowed in the beginning. It would be borrow-as-needed. He notes there are rules to borrowing. Further, short term borrowing may be up to two years. He assures **Ms. Rosa** that the money is there.

Ms. Rosa said that her Wish List would include the wish that the CH Restoration Committee has impressed the Budget and Finance Committee with the need, and they would make a recommendation to go for the additional funds to complete the work.

Councilor Hardy spoke of the CA Animal Aid and once the road was built, the funds started coming in, commenting that one has to show where the money is going. If people see it, they will come forward.

Ms. Ronan said one has to let people know that CPA funds are being used to restore City Hall. **Mr. Towne** added that one must look at City Hall as Gloucester's pride; and look for benefactors. **Ms. Rosa** commented that if there is a statement that the city cares for the building, it may bring forward additional funding possibilities.

On comment of **Councilor Hardy**, regarding the auditorium being used more, **Mr. Pardee** reported that the CH Restoration Committee is looking at the lighting and sound system in the auditorium.

There was a brief discussion on the Capital Improvements Advisory Board, and **Mr. Towne** stated that projects are coming forward for FY12 and everything over \$50,000 has to have CIAB, Mayor, and City Council support. Further, CIAB completes the rankings and forwards a recommendation. Any projects of a capital nature would follow CIAB regulations which include extending useful life.

The CIAB, he stated, is speaking to the school roofs. There is a process that department heads will have to follow prior to CIAB making recommendation to the City Council. There is double-checking to ensure buildings are not being left off the maintenance schedules. Also, CIAB recommendations will be before the Mayor prior to setting the FY12 budget. In closing, he stated that he, **Mr. Towne**, is the CIAB financial resource person; and, **Mr. Cademartori**, Planning Director, is the planning resource person. Also, the five-year plan is being reviewed every year.

Mr. Dexter recommended looking at the District Court and Police Station as a municipal building to keep the campus downtown.

Councilor Hardy commended the dedicated group of people involved and thanked them for the countless hours they have spent serving the city.

The Community Preservation Committee recommends the appropriation of a 20 year level-debt service general obligation bond for the lesser of \$2,600,000, plus associated transaction costs, or the amount of debt supported by an annual debt service of \$185,000, plus associated transactions costs, for the exterior restoration of Gloucester City Hall. Bonding for the work can now take advantage of competitive construction costs and lower interest rates.

Further, the annual debt service is based on information provided by First Southwest on 9/15/10 and assumes an interest rate of 3.75%. The CPA spending purpose for this appropriation is to restore historic resources – City Hall.

Correction to the Budget and Finance Committee Meeting minutes of November 10, 2010.
Representing the GHA, Kathy Erkkila.

ADJOURNMENT: It was moved, seconded and voted unanimously to adjourn the meeting at 8:30 p.m.

Respectfully submitted,
Anne Marchand, Substitute Recorder

