

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

Present: Vice Chair, Councilor Scott Memhard; Councilor Ken Hecht; Councilor Jamie O’Hara (Alternate)
Absent: Councilor Cox
Also Present: Kenny Costa; Jim Destino; John Dunn; Chip Payson; Fire Chief Eric Smith; Jill Cahill; Jaimie Corliss

The meeting was called to order at 5:30 p.m.

1. Special Budgetary Transfer Requests 2018-SBT-7,-8, -9 & -10 from Fire Department

Fire Chief Eric Smith explained his department’s request for transfer of funds:

2018-SBT-7 and 8: This is to fund a capital expense in order to replace a washer extractor, as repair of the current extractor was too expensive. Extractors are a super high efficiency commercial grade washer than can handle firefighting gear ridding the gear of any harmful substances and chemicals. Extractors help to extend the life of firefighting gear, and keeps the department in compliance with OSHA regulations. It was indicated it was hoped that in the next fiscal year funding will be available to replace the department’s other washer extractor.

COMMITTEE RECOMMENDATION: On a motion by Councilor Hecht, seconded by Councilor O’Hara, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve Special Budgetary Transfer 2018-SBT-7 in the amount of \$5,000 from Account #0122052-524017, Fire Department, Repairs & Maintenance-Other Equipment to Account #0122058-585000, Fire Department, Capital Outlay-Equipment, for the purpose of funding the purchase of a washer extractor.

COMMITTEE RECOMMENDATION: On a motion by Councilor Hecht, seconded by Councilor O’Hara, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve Special Budgetary Transfer 2018-SBT-8 in the amount of \$6,000 from Account #0122052-542010, Fire Department, Public Safety Equipment Not Capitalized to Account #0122058-585000, Fire Department, Capital Outlay-Equipment, for the purpose of funding the purchase of a washer extractor.

2018-SBT-9 and 10: The next two transfers were termed by **Chief Smith** as “housekeeping” to keep all four fire stations open. He touched upon the staffing structure of the Fire Department at the request of **Councilor Hecht**, and how it relates to overtime which saw a 33% increase in work hours when the department went from a 42 hour work week to a 56 hour work week. The new staffing scheme, a model used by many municipalities countrywide, does cause retirement costs to rise slightly over the former staffing scheme. Overtime was noted at about \$780,000 in the last year of the former staffing scheme just to open up Bay View station and didn’t even touch on being able to open the Magnolia station. With the move from 18 to 24 personnel per shift with leave time and injuries outlying stations are open more often through straight time rather than overtime.

Chief Smith advised that the department’s overtime has pushed past \$300,000 this year as a result of a lot of injuries and retirements. He said that is countered by having caught up on hiring. **Chief Smith** said he believed that the department will be okay (for overtime) for the rest of the fiscal year with the addition of the newly hired firefighters. **Councilor Hecht** noted the department did something to solve an overtime problem but that it seems to be “creeping” in now. **Chief Smith** pointed out that they can’t foresee injuries and retirements.

Mr. Destino noted this isn’t a simple issue, and that while staffing works, there are still contractual obligations for matters such as time off, not just injuries and retirements which play into the overall picture.

Councilor Memhard asked what needs to be planned in advance to close out the year for overtime as the Fire Department is transferring within its department budget for overtime. **Chief Smith** said his department has have done what they needed for repairs, maintenance and purchases and then moved the funds into overtime. He suggested they should be able to close out the year with the 18 person minimum and shouldn’t have an issue. **Chief Smith** and **Mr. Destino** said the department has to live within their budget.

Councilor O’Hara asked how many firefighters. **Chief Smith** said 73 are assigned to firefighting and one is going through PERAC disability process to go on disability and the department has filled for that position. After

that they'll be at 72 line firefighters which is the full compliment. **Chief Smith** confirmed for **Councilor O'Hara** that there are 32 firefighters certified as paramedics, and of the new hires one is certified and one is in process.

COMMITTEE RECOMMENDATION: On a motion by Councilor Hecht, seconded by Councilor O'Hara, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve Special Budgetary Transfer 2018-SBT-9 in the amount of \$2,054.00 from Account #0122052-542009, Fire Department, Telecommunication Equipment Not Capitalized, to Account #0122051-513000, Fire Department, Overtime, for the purpose of funding personnel overtime in order to keep fire stations open.

COMMITTEE RECOMMENDATION: On a motion by Councilor Hecht, seconded by Councilor O'Hara, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve Special Budgetary Transfer 2018-SBT-10 in the amount of \$1,760.00 from Account #0122052-545000, Fire Department, Custodial & Maintenance Supplies, to Account #0122051-513000, Fire Department, Overtime, for the purpose of funding personnel overtime in order to keep fire stations open.

2. Memorandum from IT Director re: request approval to pay invoices for FY17 with FY18 funds

John Dunn, CFO explained that the company the city leases most of the copiers from neglected to send an invoice for usage in FY17 and didn't forward the bill until FY18. He pointed out this is contractually legitimate invoice due and should be paid. **Councilor Hecht** asked if there is a term in the contract for timely billing or that the city won't pay. **Mr. Dunn** noted that wasn't the case but that it is expected bills will be sent in a timely fashion.

COMMITTEE RECOMMENDATION: On a motion by Councilor Hecht, seconded by Councilor O'Hara, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council in accordance with MGL c. 44, §64 approve payment of a prior year invoice for services rendered during FY2017 with FY2018 General Fund – Information Technology budgeted funds and additionally with no purchase order in place for Cameron Office Products, Amesbury, MA, Invoice #IN915652, invoice date 07/06/2017 for a total of \$2,684.78.

3. Letter from Clean City Commission Chair re: City Council acceptance of three Sidewalk Buttler cigarette receptacles from Keep Massachusetts Beautiful in the amount of \$297

Ainsley Smith, Chair of the Clean City Commission asked that the Council accept a grant from Keep Massachusetts Beautiful to fund three sidewalk "Buttler" cigarette receptacles. The units were described as the same as the 21 other units currently installed around the city. She reported that over 9,000 cigarette butts have been removed from city streets. There is no obligation or match on the part of the city, she pointed out, for **Councilor Memhard**. They also briefly discussed coupling the buttlers with the mutt mitt stations and expanding the buttler program to Good Harbor Beach and Stage Fort Park. The Committee expressed its appreciation for the work of the Clean City Commission.

COMMITTEE RECOMMENDATION: On motion by Councilor Hecht, seconded by Councilor O'Hara, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council accept under MGL c. 44, §53A, a donation from the non-profit organization known as Keep Massachusetts Beautiful in the amount of \$297.00 for the purpose of purchasing three Sidewalk Buttler cigarette receptacles to be installed in high foot traffic areas for the purpose of reducing cigarette litter.

4. Memorandum from Community Development Director re: off-cycle recommendation of the Community Preservation Committee for the application of Habitat for Humanity North Shore

Catherine Schlichte, Community Preservation Committee (CPC) member, and **Donald Preston** of Habitat for Humanity North Shore (Habitat) went before the Committee to review Habitat for Humanity's application Community Preservation Act funding to build affordable housing in the city. **Mr. Preston** explained that Habitat is proposing to purchase 5 Marina Drive in order to take a "misused" property, tearing the house down and replacing it with a two-family structure. He noted there is an existing two-family structure directly next to this property. The house backs up to the Vista Hotel, it was noted, and that side of the hotel has no windows that would look over the proposed new structure. He showed the Committee a view of the proposed side-by-side townhouse which in order to

construct would require variances, with parking in the front. He conveyed he met with the Building Inspector who indicated from a zoning perspective should not be an issue. The townhouses were described as three bedroom units which could be dropped to two-bedroom units if it were necessary. These energy star homes would be sold for around \$145,000 with zero percent interest mortgages which is the Habitat model. These homes would be sold to families or persons who meet the AMI (Average Median Income) affordable housing parameters. He noted that there would be a local preference for someone living and working or going to school in Gloucester as a purchaser, but is not a guarantee under the Fair Housing laws. He pointed out that such projects have been done in Peabody, Danvers and Hamilton and that there is a tendency to see local applicants. These units are earmarked is for a family in the 40% to 60% AMI range (\$36,000 to about \$60,000 income level.). These persons wouldn't spend more than 30% of their income towards housing -- monthly payments with insurance and taxes should come out to the \$800 to \$900 range. Habitat works with all volunteers with corporate support from such companies as Whirlpool who donate appliances, Dow donates insulation. He advised they may have arrangements with local roofers who in turn have arrangements with various wholesalers which help to keep costs down. They bring in volunteers from local communities -- from colleges and work with the local tech schools. They are working with the Essex Tech High School, he noted, to build in Danvers and Peabody. **Ms. Schlichte** added that the CPA funds are to be for the acquisition cost of the property -- the Purchase & Sale agreement is for \$250,000 to buy the property. **Mr. Preston** noted they'll go before the Affordable Housing Trust to ask for \$120,000 for the demolition of the current home and use HOME funds, banks, corporate donations and fundraising to fund the rest of the construction. There will be an affordable housing deed restriction. The CPA funds equate to a \$75,000 earmarked for each unit, **Ms. Schlichte** noted.

Councilor Memhard confirmed this is Habitat's first project in the city, and an important first step. He pointed out this project is consistent with the neighborhood. **Ms. Schlichte** noted Habitat asked for the full acquisition amount but the CPC didn't recommend that given that this is Habitat's first application and can utilize the funds to seek other grant opportunities. **Mr. Preston** touched upon other Habitat North Shore projects saying that there is a need for this kind of housing in the city, and the project fits into the city's Housing Production Plan. The homes would have an appraised value, not the sale price, of about \$400,000 although the mortgage will only be at tied to the sale price of \$145,000.

Councilor Hecht asked about the formula for resale. **Mr. Preston** said the deed restriction goes with the property which has an income restriction and stays as affordable housing. **Ms. Schlichte** added that the new buyer has to be within the AMI parameters and that there are additional parameters be adhered to, touching on them briefly.

Councilor Memhard pointed out that Haven Terrace is similar to this project. **Mr. Preston** said they'd like to see the deed restriction fall off at 30 years and is something the CPC is recommending in perpetuity.

Councilor Hecht noted that there is \$350,000 dedicated for Affordable Housing in CPA funds. **Ms. Schlichte** pointed out that the CPC has another affordable housing application pending for the next CPA funding round for a seven-unit project on Pearl Street, and this will leave \$200,000. She noted that the \$350,000 is a result of the affordable housing funds building up over time due to a lack of applications which was confirmed by City Auditor, **Kenny Costa**. It is anticipated there will be a decrease in CPA state matching funds over time as more and more communities impose a CPA tax and clamor for the same state matching funds, which was confirmed by **Mr. Costa** and **Ms. Schlichte**. They also touched upon some of the CPA fund budgeting matters.

Councilor Memhard noted as Ward 1 Councilor that there needed to be appropriate outreach to the neighbors to explain what will go on with this project as this is bringing something different to the neighborhood which in turn will encourage them to welcoming the project. **Mr. Preston** assured that would be done. He confirmed to **Mr. Destino** that Habitat would go before the ZBA for setback relief. **Mr. Destino** commented it was all the more reason to reach out to the neighbors at this time.

Councilor O'Hara asked if successful in obtaining the entire funding for the project when it would move forward. **Mr. Preston** said they'd move forward as soon as fully funded to demolish the building and construction would start within a year, then taking a year working only Wednesdays and Saturdays to completion. He noted on the off days other skilled professionals come in to work on the project. **Councilor O'Hara** recounted that he'd worked on a Habitat project in Danvers some time ago, highlighting that this is a worthy cause. He reiterated that the outreach to the neighborhood would be important. **Ms. Schlichte** added that the owners have wanted to see the property go to a good use. **Mr. Preston** conveyed there is a P&S in place and that the owners are willing to wait.

Councilor Memhard expressed his hope that this would be the first of many Habitat projects in the city.

COMMITTEE RECOMMENDATION: On motion by Councilor Hecht, seconded by Councilor O'Hara, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council appropriate up to \$150,000 (One Hundred Fifty Thousand Dollars) from the Community Preservation Act funds as recommended by the Community Preservation Committee to provide off-cycle funding for the purpose of Habitat for Humanity North Shore to acquire a property in the City of Gloucester, #5 Marina Drive. The renovation and reconstruction work will create affordable housing within the city. The appropriation will be allocated to the Community Housing category and be funded by up to \$150,000 from the Community Housing Reserve Fund #4530. The project will be tracked in the Community Preservation Fund – Community Housing Projects Fund #4903.

This matter will be advertised for public hearing.

5. Memorandum from CFO re: request loan authorization in the amount of \$675,000 for municipal building improvements

Mike Hale, Public Works Director reported some time ago it was unsure whether the police station would remain at its current location and because of that there was a pause in any major work on the facility. There is a new roof and heating system; cells have been refurbished and interior office improvements have been made. The building really needs windows. They are original and the source of the biggest leaks in the building. He indicated that they hear from the Court system every time it rains complaining about the water incursion. They have asked this be squared up so they can invest in ceiling tiles and carpeting. That can't be done until the widows are done. There are a lot of contingencies held in this estimate (placed on file). He noted the estimator tied to their on-call architect. By the time this moves forward there will be a 5% increase over that budget estimate, he added, but that they believe the \$675,000 will get them to the end of the project. They can give the funds back if they don't use it, he pointed out. As soon as they get the funds they'll go to final design, he advised, and suggested that the project would be undertaken in early fall.

Councilor O'Hara thanked Mr. Hale for furnishing the information on the estimates which he termed as helpful.

Councilor Hecht asked how many windows were in the building. **Mr. Hale** mentioned that the architecture is unique. These are custom windows that don't open, rather to be termed as a "glazing" project. Because they're fixed windows it is not a simple matter to remedy nor inexpensive either. He pointed out that the building is in better shape than it was years ago.

Councilor Hecht pointed out the funding equates to \$154 per square foot. **Mr. Hale** explained that the difference between the public and private sectors is significantly different. The size of the windows vary greatly, and there are side lights involved. For the most part the cost for materials is about the same between the private and public sector but there are other factors that are quite different. **Mr. Destino** pointed out that cities and towns should pay less but it just isn't the case.

Councilor O'Hara said this is a working Police Station and District Court and that the building can't be shut down. **Mr. Hale** advised there are numerous rapid-run air quality tests that have to be done daily with receipt of the results needed immediately; there are other requirements they must face as well. **Councilor O'Hara** asked if this was enough funding. **Mr. Hale** said they price this out frequently and that the ask is adequate.

Councilor Memhard reminded the Committee that this is an authorization to borrow. He asked what the DPW would undertake next for the Police Station repair/maintenance once the window project was completed. **Mr. Hale** explained that the garage is next -- to close it in as it is currently an open structure facing Rogers Street and has to be plowed frequently. He noted that there needs to be a discussion for the building's climate control as there is no whole building air conditioning, and window units aren't a good set up. He added that it is not being considered to have windows that open. **Mr. Hale** noted their department's HVAC person is looking at some solutions for the building, responding to an inquiry by **Councilor Hecht** and briefly discussed ways in which they might solve the issues.

Mr. Destino highlighted that the Police Department is working towards certification and that enclosing the garage is an important next step as that is one of the requirements.

COMMITTEE RECOMMENDATION: On a motion by Councilor Hecht, seconded by Councilor O'Hara, 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 of Gloucester appropriates Six Hundred Seventy Five Thousand Dollars (\$675,000) to pay costs of building envelope and related interior improvements including the payment of all costs incidental or related thereto. 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 Mayor and any other appropriate official of the City are authorized to apply for and accept any and all grants or gifts that may be available to the City to pay costs of the projects.

Further Ordered: That any premium received by the City 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.

Further Ordered: That the Treasurer is authorized to file an application with the Municipal Finance Oversight Board to qualify under Chapter 44A of the General Laws any or all of the bonds authorized by this order and to provide such information and execute such documents as the Municipal Finance Oversight Board may require for these purposes.

The loan order is advertised for public hearing and will be heard on April 10.

6. *Supplemental Appropriation-Budgetary Request 2018-SA-27 from CFO in the amount of \$480,000 to fund emergency repairs to the Good Harbor Beach footbridge*

Mr. Hale described that as a result of the recent winter storms, the Good Harbor Beach footbridge has suffered significant damage and needs to be reconstructed. It is estimated the repairs will cost \$480,000, including design and permitting fees of \$80,000 with actual long-term reconstruction costs at \$400,000. This has essentially been an annual repair, and when the city was permitted for the last major repair job on the footbridge they were informed that they were unlikely to receive the relief to rebuild the footbridge as they had previously. He described an issue with the bridge spans that can alter the shape of the creek especially during flood tides. The Conservation Commission (ConCom) and the Mass. Department of Environmental Protection (MDEP) had conveyed they thought it was difficult to continue this style of bridge for much longer. He indicated there is no choice but to reconstruct the span to the beach. Piles set on small concrete foundations have to be reset as they've rotted. For the beach season they'll have the ramp done. He pointed out it doesn't make sense to make repairs year after year. The proposal is to construct the new span higher than the current footbridge highlighting that with the recent extraordinary storm surge it was completely underwater. In addition to the span being constructed slightly higher, the footbridge will have to be ADA compliant and how the creek ebbs and flows and future maintenance has to be taken into consideration for the footbridge design. He noted that the engineering firm of GZA is one of the city's environmental construction consultants who have worked with the city for 19 year and worked up the estimate with a contingency built in (submitted and placed on file). There is a permitting cost for the footbridge reconstruction, and that the DEP, ConCom and Shellfish Warden will all weigh in. The DPW will have to go to design over the summer if permitted and will not be able to go to full construction for the long-term repairs until the fall.

Speaking to the aesthetics of the beach footbridge, **Mr. Hale** confirmed it is recognized that the wood bridge has a certain aesthetic allure and people don't want anything but that particular structure. He indicated they are leaning towards a sustainable bridge that has the look and feel of a wooden bridge with possible pre-cast portions and I-beams wrapped in wood to have a similar look as it is seen today. Based on all the considerations and permitting costs, he conveyed that this is a reasonable estimate.

Councilor O'Hara confirmed with **Mr. Hale** that they'll be able to make the bridge structurally sound that can be signed off on and **Mr. Hale** described how they might accomplish that. It was highlighted that of greatest importance was ensuring that the flat span is made safe as this is a three piece bridge (i.e. two ramps with a flat span between them). They won't bother doing anything if they couldn't make the flat span safe. It is a three piece bridge, he noted. He expressed that the shorter term repairs can't be sustained for any length of time. The structural engineer viewed the bridge this past Monday, he reported, and pointed out that every few years they have issues with this bridge. He added at this stage they don't even know that they can get permitting for the repairs if they don't have a long-term plan for the reconstruction of the footbridge. **Councilor O'Hara** conveyed he'd be more amenable to the expenditure if they had the MDEP and ConCom permit in hand. **Mr. Hale** said he can't go before those bodies without the design for the bridge. He added that they're already chasing people off the closed bridge which is unsafe. They have blocked it off yet people keep taking risks regardless. They have restored the sidewalk

there that was damaged. This involves more disciplines than he has in house, he reported and touched upon how difficult it is to build bridges over tidal creeks. Thatcher Road pedestrian access is high on their to-do list, he mentioned. **Mr. Hale** said this funding will get him to the permitting stage and reconstruction -- without the funding he can't rebuild the bridge.

Mr. Dunn pointed out this is an appropriation within the Capital Projects Stabilization Fund as they're hopeful the entire project will be allowable for reimbursement from FEMA/MEMA (seeing 75% of the costs returned to the city). If they don't get the permits in place they can do nothing, he pointed out. They are doing this in two steps but approving the overall funding and discussed some of those factors briefly. He confirmed this is a legitimate request.

Mr. Destino explained it is anticipated that the city will meet the FEMA threshold for costs of damages and expressed his confidence that the city will be reimbursed -- while it takes several years, they'll at least know the funding is coming. He pointed out by utilizing the stabilization fund monies they don't need to go out for a loan for the footbridge repair.

Councilor Hecht expressed that this is money well spent while also looking at a better solution than \$200,000 annually to repair the footbridge. **Mr. Destino** touched upon the rising tides saying that the footbridge has to be designed higher to accommodate these changes in the environment rather than seeing the footbridge wiped out every year. Where they can they have to lift the city's infrastructure, he pointed out. **Councilor Hecht** added the beach creates critical tourism revenue for the city.

Mr. Hale discussed briefly with **Councilor O'Hara** that the bridge's location is likely to remain where it is rather than moving it to the area where the old bridge was located.

Mr. Costa noted that there will be \$2.1 million remaining in the Capital Projects Stabilization Fund once the \$480,000 is approved.

Councilor O'Hara conveyed his thanks to Messrs. Hale, Dunn and Destino in assisting the Committee in reviewing this expenditure, and that it is prudent to move forward with this project. **Mr. Hale** expressed agreement that it is important that the public understands these types of expenditures. **Councilor Memhard** pointed out it is important to get the bridge opened for the summer season.

COMMITTEE RECOMMENDATION: On a motion by Councilor Hecht, seconded by Councilor O'Hara, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2018-SA-27 in the amount of \$480,000.00 (Four Hundred Eighty Thousand Dollars) from the Capital Project Stabilization Fund-Undesignated Fund Balance, Account #7600-359000, to CP Stabilization, Good Harbor Beach Footbridge, Site Improvements Account #760014-584000 for the purpose of funding repairs to the Good Harbor Beach footbridge including design/permitting (\$80,000) and reconstruction (\$400,000).

7. Supplemental Appropriation-Budgetary Requests 2018-SA-24, -25 & -26 from the Treasurer

Mr. Destino described Supplemental Appropriation 2018-SA-24 as funding for an anticipated increase in the cost of outside legal services mostly due to labor contract negotiations. He recounted that he'd informed B&F during the last budget season there were certain legal issues that would require outside legal counsel. The Law Department also has the pending Essex sewer deal. All but one union has settled, he noted. It was suggested that the firefighter's contract will take some time to settle, and that the city has hired new labor counsel for that specific negotiation. He advised that this will add costs to the short-term but will save city funds in the long run. He noted that they'll likely see more funding in the Law budget for FY19 for such costs. If they don't use all this money it will fall to the bottom line, it was noted.

Chip Payson, General Counsel highlighted some of the large technical lawsuits that his department is handling with outside consultants that are beyond the scope of a General Counsel's practice. They are looking at \$25,000, he suggested. The highlighted lawsuits aren't the ordinary "general" legal day-to-day work that his department does to represent ConCom or the ZBA; working on a closing for Maplewood, as examples. These are large technical lawsuits that require specific technical legal expertise. He mentioned that Attorney Mullin, an outside legal consultant, has done work for him and for his predecessor and seeks his advice. Attorney Mullin is handling the Essex sewer case, he pointed out. The budget for outside counsel for FY18 was touched upon briefly.

Councilor Memhard recounted that it was thought more of such things would be brought in house because General Counsel is learning from these specialized counsels. **Mr. Payson** pointed out that no matter how much he learns he is still "General" Counsel and that he doesn't have some of the specialized legal knowledge bases that are required for these complicated legal cases.

Councilor O'Hara expressed his appreciation for **Mr. Payson, Mr. Destino** and **Mr. Dunn** for their service in saving the taxpayers money by this smaller expenditure. **Councilor Memhard** pointed out that this is a lot of exposure to be covered that will save the city money in the end.

COMMITTEE RECOMMENDATION: On a motion by Councilor Hecht, seconded by Councilor O'Hara, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2018-SA-24 in the amount of \$20,000.00 (Twenty Thousand Dollars) from the General Fund, Fund Balance Reserved For Overlay Surplus, Account #0001-322000, to Law Department, Legal Services, Account #0115152-530010 for the purpose of funding anticipated increase in the cost of Legal Services pursuant to City of Gloucester union contract negotiations.

Mr. Dunn advised the city has six Nissan Leaf's (electric vehicles) that are stationed at the City Hall Annex for Building, IT, Health and Community Development that share the vehicles. Three of these vehicles were acquired in 2015 under a then existing state agreement with Nissan which called for a vehicle purchase price of about \$30,500. That price was then reduced by a Nissan incentive of \$11,025, and there was a state grant that paid for 24 months of the 36 month leases. An underlying lease agreement was executed calling for 36 monthly payments of \$275 for each vehicle. The lease agreement with Nissan allows the city to purchase the vehicles at the end of the lease period (May 2018) for approximately \$10,900 each including identified fees. The vehicles have less than 25,000 miles on their odometers. The warranties on the vehicles were noted as well. If the city exercises the purchase option, the net acquisition cost to the city for each vehicle is less than \$14,000 or 45% of the original purchase price. Other communities who participated in this program are buying these vehicles it was pointed out. The cars really don't leave the city, **Mr. Dunn** explained, noting that the vehicles have an 80-90 mile range per charge which is good enough for the city's inspectors. He confirmed that the vehicles don't require much in the way of maintenance either. He recommended that the city exercise its purchase option and fund it from the Capital Projects Stabilization Fund. It was noted that the amount was rounded to \$11,000 for each vehicle totaling \$33,000. He noted that he's not heard anything negative from the DPW on servicing.

Councilor Hecht asked if the vehicles are fully utilized. **Mr. Dunn** confirmed that the vehicles really do get used. The vehicles are also being made accessible to the Assessors who work out of City Hall. He pointed out that the city is a green community and these vehicles enhance the city's commitment to clean energy.

COMMITTEE RECOMMENDATION: On a motion by Councilor Hecht, seconded by Councilor O'Hara, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2018-SA- 25 in the amount of \$33,000.00 (Thirty Three Thousand Dollars) from Capital Project Stabilization Fund-Undesignated Fund Balance, Account #7600-359000, to CP Stabilization, Nissan Leaf Purchase, Vehicles Account #760015-585001 for the purpose of funding the purchase of three 2015 Nissan Leaf vehicles per the purchase option included in the underlying lease agreements with Nissan Motors.

Mr. Hale explained that due to recent storm damage it is advisable that funds be appropriated from the Capital Projects Stabilization Fund to allow for the repair of that storm damage along Stacy Boulevard and Stage Fort Park. He highlighted that this is a very busy season for his department and that there is more work than his department can take up. He then briefly described some of the issues faced by the city and why the funding of the repairs now is important before the start of the summer season. He noted that they went through their ordinary budget by the end of February due to 60 inches of snow. A lot of this work is going to be contracted out, he reported. This work is being included in the FEMA ask, in response to an inquiry by **Councilor Memhard**, noting that it is going to take some time to get the city cleaned up. He said this work will start right away. He recounted for **Councilor O'Hara** that this will be done by quotes.

COMMITTEE RECOMMENDATION: On a motion by Councilor Hecht, seconded by Councilor O'Hara, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2018-SA-26 in the amount of \$35,000.00 (Thirty Five Thousand Dollars) from the General Stabilization Fund-Undesignated Fund Balance, Account #7500-359000, to DPW - Public Services, Purchase of Services, Account #0147052-520000 for the purpose of funding the winter storm damage repairs on Stacey Boulevard and Stage Fort Park.

8. *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 7:35 p.m.

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

DOCUMENTS/ITEMS SUBMITTED AT MEETING:

- Memo from Michael Hale, Director of Public Works dated April 5, 2018 re: Funding for Gloucester Police Station and Court Window Upgrade
- Preliminary Engineer's Cost Estimate dated April 5, 2018 for the Good Harbor Pedestrian Access Structure from GZA submitted by Michael Hale, Director of Public Works