

**GLOUCESTER CITY COUNCIL MEETING**

Tuesday, May 8, 2018 – 7:00 p.m.

Kyrouz Auditorium – City Hall

**-MINUTES-**

**Present:** Chair, Councilor Paul Lundberg; Vice Chair, Steven LeBlanc, Jr.; Councilor Melissa Cox (entered the meeting at 7:04 p.m.); Councilor Valerie Gilman; Councilor Kenneth Hecht; Councilor Jennifer Holmgren; Councilor Scott Memhard; Councilor Sean Nolan; Councilor James O’Hara;

**Absent:** None.

**Also Present:** Joanne Senos; Jim Destino; Kenny Costa; Chip Payson; John Dunn; Fire Chief Eric Smith; Grace Poirier

The meeting was called to order at 7:02 p.m. The Council President announced that this meeting is recorded by video and audio in accordance with state Open Meeting Law.

**Flag Salute & Moment of Silence.**

**Oral Communications:** None.

**Presentations/Commendations:** None.

**Confirmation of New Appointments:**

Clean City Commission

Carter Whitlock, Jamie L. Mathison

TTE 02/14/21

COMMITTEE RECOMMENDATION: On a motion by Councilor O’Hara, seconded by Councilor Nolan, the Ordinances & Administration Committee voted 3 in favor, 0 opposed, to recommend that the City Council appoint Carter Whitlock to the Clean City Commission, TTE 02/14/21.

**DISCUSSION:** None.

**MOTION:** On a motion by Councilor LeBlanc, seconded by Councilor Nolan, the City Council voted 9 in favor, 0 opposed, to appoint Carter Whitlock to the Clean City Commission, TTE 02/14/21.

COMMITTEE RECOMMENDATION: On a motion by Councilor O’Hara, seconded by Councilor Nolan, the Ordinances & Administration Committee voted 3 in favor, 0 opposed, to recommend that the City Council appoint Jamie Mathison to the Clean City Commission, TTE 02/14/21.

**DISCUSSION:**

**Councilor Cox** expressed her endorsement of Ms. Mathison, noting she has attended the Clean City Commission meetings and was instrumental in the city’s plastic bag ban.

**Councilor LeBlanc** conveyed the Council’s appreciation for both Ms. Mathison and Ms. Whitlock stepping forward to serve on the Clean City Commission, to seek solutions and be proactive. He noted this is a vibrant committee. He encouraged the women to come forward to the O&A Committee for guidance and assistance if needed.

**MOTION:** On a motion by Councilor LeBlanc, seconded by Councilor Nolan, the City Council voted 9 in favor, 0 opposed, to appoint Jamie Mathison to the Clean City Commission, TTE 02/14/21.

Magnolia Pier Advisory Committee

Richard D. Wilson, Howard “Ted” Costa

TTE 02/14/19

COMMITTEE RECOMMENDATION: On a motion by Councilor O’Hara, seconded by Councilor Nolan, the Ordinances & Administration Committee voted 3 in favor, 0 opposed, to recommend that the City Council appoint Howard “Ted” Costa to the Magnolia Pier Advisory Committee, TTE 02/14/20.

**DISCUSSION:**

**Councilor LeBlanc** recounted that Mr. Costa is a former Gloucester City Councilor, grew up in Magnolia, and is a retired Fire Chief of the Boston Fire Department. He expressed his appreciation for his volunteer spirit.

**MOTION: On a motion by Councilor LeBlanc, seconded by Councilor Nolan, the City Council voted 9 in favor, 0 opposed, to appoint Howard “Ted” Costa to the Magnolia Pier Advisory Committee, TTE 02/14/20.**

COMMITTEE RECOMMENDATION: On a motion by Councilor O’Hara, seconded by Councilor Nolan, the Ordinances & Administration Committee voted 3 in favor, 0 opposed, to recommend that the City Council appoint Richard D. Wilson to the Magnolia Pier Advisory Committee, TTE 02/14/20.

#### DISCUSSION:

**Councilor LeBlanc** explained that Mr. Wilson is a well-known to the community and is, “awesome.”

**MOTION: On a motion by Councilor LeBlanc, seconded by Councilor Nolan, the City Council voted 9 in favor, 0 opposed, to appoint Richard D. Wilson to the Magnolia Pier Advisory Committee, TTE 02/14/20.**

#### Consent Agenda:

- **CONFIRMATION OF REAPPOINTMENTS**  
Licensing Board Brian Hamilton TTE 05/31/2021
- **MAYOR’S REPORT**
- 1. New Appointment:  
Historical Commission Peter Lawrence TTE 02/14/2021 (Refer O&A)
- 2. Memorandum and Special Budgetary Transfer Request 2018-SBT-31 from the School Department (Refer B&F)
- 3. Letter from Clean City Commission Chair re: City Council acceptance of 240 pairs of reusable gloves from Clean Pro in the amount of \$192.00 (Refer B&F)
- 4. Memorandum from Community Development Director and Economic Development Director re: City Council acceptance of the Mass. Dept. of Marine Fisheries Grant for the Gloucester Fresh Seafood campaign in the amount of \$12,000 (Refer B&F)
- 5. Special Budgetary Transfer Request 2018-SBT-14 from the Police Department (Refer B&F)
  - **COMMUNICATIONS/INVITATIONS**
  - **INFORMATION ONLY**
  - **APPLICATIONS/PETITIONS**
  - 1. Application of DLM Properties LLC for the storage of diesel at 24 Kondelin Road, Assessors Map 197, Lot 13, per MGL Ch. 148, §13, and GCO Ch. 8, Sec. 8.1 “License for Storing Inflammables” (Refer P&D)
  - 2. Application of NSDJ Real Estate LLC for the storage of ammonia, gas and oil at 159 East Main Street, Assessors Map 63, Lot 26 per MGL Ch. 148, §13 and GCO Ch. 8, Sec. 8.1 “License for Storing Inflammables” (Refer P&D)
  - 3. Special Events Application: Request to hold Concerts on the Boulevard on July 3, 2018 and September 1, 2018 (Refer P&D)
  - 4. Special Events Application: Request to hold Around the Cape 25K road race on August 26, 2018 (Refer P&D)
  - 5. Special Events Application: Request to hold the Fishbox Derby on September 16, 2018 (Refer P&D)
  - **COUNCILORS ORDERS**
  - 1. CC2018-022 (Cox): Amend GCO Ch. 22, “Traffic and Motor Vehicles” Article V., Division 3 “Parking Meters,” Sec. 22-218 “Deposit of coin required; overtime parking; exemption” by DELETING subsection 22-218(c) (Refer O&A)
  - 2. CC2018-023 (Cox): Amend GCO Ch. 22, “Traffic and Motor Vehicles” Sec. 22-279 “Thirty-minute parking” by DELETING “Western Avenue, northerly side, from Centennial Avenue to Perkins Road” and amend Sec. 22-280 “Fifteen-minute parking” by ADDING “Western Avenue, northerly side, from Centennial Avenue to Perkins Road” (Refer O&A & TC)
  - **APPROVAL OF MINUTES FROM PREVIOUS COUNCIL AND STANDING COMMITTEE MEETINGS**
  - 1. City Council Meeting: 04/24/2018 (Approve/File)
  - 2. Special City Council Meeting: 05/01/2018 (Approve/File)
  - 3. Standing Committee Meetings: B&F 05/03/2018 (under separate cover), O&A 04/30/2018, P&D 05/02/18 (Approve/File)

#### Items to be added/deleted from the Consent Agenda:

**By unanimous consent the Consent Agenda was accepted as presented.**

#### Committee Reports:

#### **Budget & Finance: May 3**

COMMITTEE RECOMMENDATION: On 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 donation from Lisa Lambert in the amount of \$150.00 for the Archives Department for the purpose of funding the Archives Department Vault Construction Fund in Fund 3318.

**DISCUSSION:**

**Councilor Cox** thanked Ms. Lambert for her donation.

**MOTION: On motion by Councilor Cox, seconded by Councilor Memhard, the City Council voted 9 in favor, 0 opposed, to accept under MGL c. 44, §53A, a donation from Lisa Lambert in the amount of \$150.00 for the Archives Department for the purpose of funding the Archives Department Vault Construction Fund in Fund 3318.**

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 Special Budgetary Transfer 2018-SBT-11 in the amount of \$8,471 from Account #0191051-517009, Worker's Compensation, Settlements to Account #0115251-511000, Human Resources, Salaries, for the purpose of funding five additional hours per week at a rate of \$175.70 for twelve weeks for Assistant HR Director to cover absence of the HR Analyst position and to cover a current account deficit for FY2018.

**DISCUSSION:**

**Councilor Cox** explained that in order to cover five additional hours per week at \$175.70 for 12 weeks for the Assistant Human Resources Director in the absence of the Human Resources Analyst position, and to cover a current deficit of \$6,363, the Personnel Department needs to transfer a total of \$8,471 from its Workers Compensation Settlements account to the Human Resources salaries account.

**MOTION: On a motion by Councilor Cox, seconded by Councilor Memhard, the City Council voted 9 in favor, 0 opposed, to approve Special Budgetary Transfer 2018-SBT-11 in the amount of \$8,471 from Account #0191051-517009, Worker's Compensation, Settlements to Account #0115251-511000, Human Resources, Salaries, for the purpose of funding five additional hours per week at a rate of \$175.70 for twelve weeks for Assistant HR Director to cover absence of the HR Analyst position and to cover a current account deficit for FY2018.**

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 Special Budgetary Transfer 2018-SBT-12 in the amount of \$50,000 from Account #0140352-529004, DPW-Solid Waste Disposal Contract to Account #0149952-521000, DPW-Central Services, Energy, for the purpose of funding street light electrical bills to June 30, 2018.

**DISCUSSION:**

**Councilor Cox** reviewed that funds are needed for street light electrical bills for the rest of the fiscal year because actual costs have been higher than projected. Funds are coming from the Solid Waste Disposal account as the tonnage amount projected for the rest of the fiscal year is lower than anticipated.

**MOTION: On a motion by Councilor Cox, seconded by Councilor Memhard, the City Council voted 9 in favor, 0 opposed, to approve Special Budgetary Transfer 2018-SBT-12 in the amount of \$50,000 from Account #0140352-529004, DPW-Solid Waste Disposal Contract to Account #0149952-521000, DPW-Central Services, Energy, for the purpose of funding street light electrical bills to June 30, 2018.**

COMMITTEE RECOMMENDATION: On a motion by Councilor Hecht, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 in favor, 0 opposed, to approve the Gloucester Fire Department Billing and Collection Policy as presented by the EMS Coordinator and approved by the Mayor dated April 18, 2018 and further to approve the proposed fee schedule attached to and incorporated into the policy effective July 1, 2018.

**DISCUSSION:**

**Councilor Cox** explained that the recommended fee increase put forward by the Fire Department's EMS Coordinator, Sander Schultz for FY19 is up slightly from FY18. These increases are to keep the department on par with standard increases based on national trends. Based on these increases and projections provided by the Service's billing company, Intermedix, the projected revenue for FY19 is \$1,320,204. She noted a few of the changes: The ALS 1 Emergency Service Charge is up from \$1,797.44 to \$1,823.88; BLS Emergency Service Charge is up from \$1,513.64 to \$1,535.92, which she pointed out are minimal increases but keep the Service up to date.

**MOTION: On a motion by Councilor Cox seconded by Councilor Memhard, the City Council voted 9 in favor, 0 opposed, to approve the Gloucester Fire Department Billing and Collection Policy as presented by the EMS Coordinator and approved by the Mayor dated April 18, 2018 and further to approve the proposed fee schedule attached to and incorporated into the policy effective July 1, 2018.**

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 authorize the write-off of \$510,355.27 in uncollectible, outstanding ambulance billing.

**DISCUSSION:**

**Councilor Cox** conveyed that this is a standard annual write off for uncollectable accounts. A third party assisted the city with collections and they were unable to collect any money whatsoever. If a third party can't do it, it is definitely a time for a write off, she pointed out.

**Councilor Hecht** noted Mr. Schultz has done a great job and that the Fire Department's Ambulance Service provides a higher standard of service than most surrounding communities. The new EMS Coordinator was asked to investigate best practices but that he was sure Jonathan Sanger would do a great job in his new role.

**MOTION: On a motion by Councilor Cox, seconded by Councilor Memhard, the City Council voted 9 in favor, 0 opposed, to authorize the write-off of \$510,355.27 in uncollectible, outstanding ambulance billing.**

***Memorandum from Community Development Director re: Affordable Housing Trust Committee approval of Habitat for Humanity project at Marina Drive #5***

**Councilor Cox** advised that the Affordable Housing Trust recommendation was to fund Habitat for Humanity North Shore to purchase Marina Drive #5 to build two townhouse units at that address for Affordable Housing. For multiple reasons, Habitat has withdrawn their application. **Council President Lundberg** pointed out the Council by process would need to vote this matter down. This happened after the B&F Committee voted but not in time for the Affordable Housing Trust to meet to vote to withdraw their recommendation for funding. **Councilor Cox** asked that the Council continue this matter to its next meeting to give the Affordable Housing Trust the opportunity to meet and vote to withdraw their recommendation for funding rather than the Council's voting down the funding.

**MOTION: On a motion by Councilor Cox, seconded by Councilor Memhard, the City Council voted 9 in favor, 0 opposed, to continue this matter to the City Council Meeting of May 22, 2018.**

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-29 in the amount of \$10,000.00 (Ten Thousand Dollars) from the General Fund, Fund Balance - Reserved for Overlay Surplus, Account #0001-322000, to Executive - Mayor's Office, Purchase of Services, Account #0112152-520000 for the purpose of funding the Assessment Center to review and make recommendations for a new Police Chief.

**DISCUSSION:**

**Councilor Cox** explained that this appropriation is to fund an Assessment Center to review and make a recommendation for a new Police Chief to replace retiring Interim Police Chief John McCarthy. There will be an

RFP put out soon for the Assessment Center once the money is approved and that will start the process of selection of a new Police Chief.

**MOTION: On a motion by Councilor Cox, seconded by Councilor Memhard, the Budget & Finance Committee voted by ROLL CALL 9 in favor, 0 opposed, to approve Supplemental Appropriation 2018-SA-29 in the amount of \$10,000.00 (Ten Thousand Dollars) from the General Fund, Fund Balance - Reserved for Overlay Surplus, Account #0001-322000, to Executive – Mayor’s Office, Purchase of Services, Account #0112152-520000 for the purpose of funding the Assessment Center to review and make recommendations for a new Police Chief.**

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-30 in the amount of \$131,340.56 (One Hundred Thirty One Thousand Three Hundred Forty Dollars and Fifty Six Cents) from the General Fund, Fund Balance - Reserved For Overlay Surplus, Account #0001-322000, to Police - Uniform, Salaries, Account #0121151-511000 for the purpose of funding the settlement of the Gloucester Police Department Patrolmen’s Association contract for Fiscal Years 2017 and 2018.

**DISCUSSION:**

**Councilor Cox** highlighted that that Supplemental Appropriations 2018-SA-30 and -31 will fund the settlement of the Patrolmen’s contract for both Fiscal Years 2017 and 2018 in the Uniform Division (\$131,340.56) and the Criminal Investigation Division (\$10,000) of each of the three-year contracts. The source of the funding is from the balance of the Overlay Surplus account, funds which the Council voted to release several months ago, she conveyed.

**MOTION: On a motion by Councilor Cox, seconded by Councilor Memhard, the City Council voted by ROLL CALL 9 in favor, 0 opposed, to approve Supplemental Appropriation 2018-SA-30 in the amount of \$131,340.56 (One Hundred Thirty One Thousand Three Hundred Forty Dollars and Fifty Six Cents) from the General Fund, Fund Balance - Reserved For Overlay Surplus, Account #0001-322000, to Police - Uniform, Salaries, Account #0121151-511000 for the purpose of funding the settlement of the Gloucester Police Department Patrolmen’s Association contract for Fiscal Years 2017 and 2018.**

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-31 in the amount of \$10,000 (Ten Thousand Dollars) from the General Fund, Fund Balance - Reserved For Overlay Surplus, Account #0001-322000, to Police - Criminal Investigations Department, Salaries, Account #0121251-511000 for the purpose of funding the settlement of Gloucester Police Department Superior Officer’s Association contract for Fiscal Years 2017 and 2018.

**DISCUSSION: None.**

**MOTION: On a motion by Councilor Cox, seconded by Councilor Memhard, the City Council voted by ROLL CALL 9 in favor, 0 opposed, to approve Supplemental Appropriation 2018-SA-31 in the amount of \$10,000 (Ten Thousand Dollars) from the General Fund, Fund Balance - Reserved For Overlay Surplus, Account #0001-322000, to Police - Criminal Investigations Department, Salaries, Account #0121251-511000 for the purpose of funding the settlement of Gloucester Police Department Superior Officer’s Association contract for Fiscal Years 2017 and 2018.**

**Planning & Development: May 2**

There were no matters under this heading for Council action from this meeting.

**Ordinances & Administration: April 30**

COMMITTEE RECOMMENDATION: On a motion by Councilor O’Hara, seconded by Councilor Nolan, the Ordinances & Administration Committee voted 3 in favor, 0 opposed, to recommend that the City Council permit the withdrawal of CC2018-013 (Nolan) Request State Legislators file a Home Rule Petition re: repayment of funds

and/or debt expended for the repair of private ways under section 6N of chapter 40 as established in chapter 44, section 7 for a period of up to ten years without prejudice.

**Councilor Nolan** explained that there was a change in the way the city could borrow money and have pay off on the conditions of betterment processes regarding the paving of private ways. They were looking to the state for some relief on this, he advised, pointing out that the Administration came through with a plan so that the city doesn't need to appeal to the state. **Council President Lundberg** added that this matter will, instead, become an amendment to the Code of Ordinances, and this is a bit of housekeeping to withdraw the request for a Home Rule Petition.

**MOTION: On a motion by Councilor LeBlanc, seconded by Councilor Nolan, the Ordinances & Administration Committee voted 9 in favor, 0 opposed, to permit the withdrawal of CC2018-013 (Nolan) Request State Legislators file a Home Rule Petition re: repayment of funds and/or debt expended for the repair of private ways under section 6N of chapter 40 as established in chapter 44, section 7 for a period of up to ten years without prejudice.**

COMMITTEE RECOMMENDATION: On a motion by Councilor LeBlanc, seconded by Councilor O'Hara, the Ordinances & Administration Committee voted 3 in favor, 0 opposed, to recommend that the City Council permit the withdrawal of CC2018-002 (Gilman): Request General Counsel review the GCO for a proposed amendment to certain sections of the GCO to insert "recreational marijuana" where appropriate without prejudice.

#### **DISCUSSION:**

**Councilor Gilman** explained that a further Council Order encompassed a broader approach to this issue so the initial Council Order she'd submitted needed to be withdrawn.

**MOTION: On a motion by Councilor LeBlanc, seconded by Councilor Nolan, the City Council voted 9 in favor, 0 opposed, to permit the withdrawal of CC2018-002 (Gilman): Request General Counsel review the GCO for a proposed amendment to certain sections of the GCO to insert "recreational marijuana" where appropriate without prejudice.**

#### **Scheduled Public Hearings:**

1. **PH2018-016: Local adoption of the Commonwealth of Massachusetts DEP Division of Air Quality Control Policy, Noise Regulation (310 CMR 7.10) AND amend GCO Ch. 13 "Noise"**

**This public hearing is opened at 7:28 p.m.**

**Council President Lundberg** opened the public hearing. He suggested that Councilors Memhard and O'Hara should discuss this matter with him again, noting there had been some correspondence from the neighborhood as of today as it appears they're not getting the solution that had been envisioned. He continued the public hearing to May 22, 2018.

**This public hearing was continued to May 22, 2018.**

2. **PH2018-020: Off Cycle recommendation from the Community Preservation Committee to appropriate \$150,000 from the CPA funds for the purpose of Habitat for Humanity North Shore acquiring property at Marine Drive #5**

**This public hearing is opened at 7:29 p.m. and was taken up at the point of Councilor Discussion as the Committee Recommendation was on the table.**

**Council President Lundberg** advised that this would have been the public hearing on the Community Preservation Committee's (CPC) recommendation for funding to the Habitat for Humanity North Shore Project which was slated for 5 Marina Drive. The Applicant advised the CPC they're withdrawing their application, and the Council is in receipt of a communication from the Co-Chair of the CPC, Catherine Schlichte, that this application is withdrawn and as a result it is no longer before the Council.

**Councilors O'Hara, LeBlanc, Holmgren and Cox** thanked Habitat for Humanity North Shore for coming to Gloucester and invited them to return to the city for other projects. They noted the great concern of the Marina Drive

neighborhood about the project and expressed appreciation for the Executive Director's project presentation at a neighborhood meeting the previous week. **Councilor Cox** added her appreciation for the well-executed neighborhood meeting organized and moderated by Councilor Memhard.

**Councilor Memhard** pointed out that several valuable lessons were learned by the Council, the CPC and the B&F Committee. He noted that Donald Preston, Executive Director of Habitat of Humanity North Shore, made a point of speaking with him when Habitat was going to withdraw the project application. Mr. Preston conveyed that he was impressed by the level of the Council's welcome, its engagement, and support which Mr. Preston noted isn't necessarily the case in all communities that Habitat operates. Mr. Preston also conveyed how impressed he was with the neighborhood turnout and participation at the meeting, and that the Council was "on board with their mission." Noting that Habitat's mission is about community building, Habitat sensed this project would be more divisive than community building. **Councilor Memhard** conveyed that the lesson learned is that they need to get out in front of a project like this so people don't have an opportunity to put forward misconceptions in front of the factual information. He conveyed that he was in error at the Budget & Finance Committee meeting (at the presentation of the application) in not insisting on a community meeting in advance of the Budget & Finance Committee's voting to recommend CPA funding for a community project such as this. He also pointed out there should, in these cases, be a site visit for the benefit of the Committee and the community. He expressed his disappointment that the project couldn't go forward, reiterating that lessons were learned, and that Habitat for Humanity North Shore has the sense that the Council is a willing partner going forward; that they have the resources and a need for affordable housing in the community. He added that the Habitat model is appropriate and should be welcomed in Gloucester.

**Council President Lundberg** thanked Councilor Memhard for his efforts, highlighting the Councilor's framing of the situation. He noted they'd received several positive comments from Habitat in wanting to do business in Gloucester.

**MOTION: On a motion by Councilor Cox, seconded by Councilor LeBlanc, the City Council voted 9 in favor, 0 opposed to accept the withdrawal of the Off Cycle recommendation from the Community Preservation Committee to appropriate \$150,000 from the CPA funds for the purpose of Habitat for Humanity North Shore acquiring property at Marine Drive #5 without prejudice.**

**This matter is closed.**

**3. PH2018-021: Loan Order 2018-004: Loan Authorization to repurpose completed General Fund Capital Project Funds in the amount of \$18,061.76**

**This public hearing is opened at 7:35 p.m.**

**Those speaking in favor:**

**John Dunn**, CFO, informed the Council that this is another loan order in a series that proposes to consolidate the remaining balances in six completed General Fund capital project funds dating from 1997 that were originally appropriated for street work. This action will repurpose the already borrowed funds be used for DPW street work.

**Those speaking in opposition: None.**

**Communications: None.**

**Councilor Questions: None.**

**This public hearing is closed at 7:36 p.m.**

**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 authorize the following loan order:

Ordered: That in accordance with c. 44, §20 of the General Laws, the \$3,196.38 unexpended balance of Fund #5000 initially borrowed to pay the costs of CIP97 Blackburn Expansion, the \$186.27 unexpended balance of Fund #5001 initially borrowed to pay the costs of CIP04 MIS Software, the \$7,835.34 unexpended balance of Fund #5005 initially borrowed to pay the costs of CIP05 Klondike Drain/Paving, the \$4,756.00 unexpended balance of Fund #5015 initially borrowed to pay the costs of CIP10 Road Improvements Atlantic/Bray Street, the \$334.64 unexpended balance of Fund #5020 initially borrowed to pay the costs of CIP11 Road Improvement Paving Project, the \$1,753.13 unexpended balance of Fund #5025 initially borrowed to pay the cost of Fire Pumper and Ladder, which projects are complete and such amounts are no longer needed for the projects, are hereby appropriated by this

Council to a new Paving Capital Projects Fund #5053 to pay the costs of Miscellaneous Paving work within the City, including the payment of any and all costs incidental and related thereto.

**DISCUSSION:**

**Councilor Cox** conveyed that this is similar to how they just funded the Police Union contract, although in this case it is a reappropriation of borrowed funds.

**MOTION: On a motion by Councilor Cox, seconded by Councilor Memhard, the City Council voted by ROLL CALL 9 in favor, 0 opposed, to authorize the following loan order:**

**Ordered: That in accordance with c. 44, §20 of the General Laws, the \$3,196.38 unexpended balance of Fund #5000 initially borrowed to pay the costs of CIP97 Blackburn Expansion, the \$186.27 unexpended balance of Fund #5001 initially borrowed to pay the costs of CIP04 MIS Software, the \$7,835.34 unexpended balance of Fund #5005 initially borrowed to pay the costs of CIP05 Klondike Drain/Paving, the \$4,756.00 unexpended balance of Fund #5015 initially borrowed to pay the costs of CIP10 Road Improvements Atlantic/Bray Street, the \$334.64 unexpended balance of Fund #5020 initially borrowed to pay the costs of CIP11 Road Improvement Paving Project, the \$1,753.13 unexpended balance of Fund #5025 initially borrowed to pay the cost of Fire Pumper and Ladder, which projects are complete and such amounts are no longer needed for the projects, are hereby appropriated by this Council to a new Paving Capital Projects Fund #5053 to pay the costs of Miscellaneous Paving work within the City, including the payment of any and all costs incidental and related thereto.**

**4. PH2018-22: Acceptance of MGL Ch. 64N, §3 to impose an excise tax on the retail sales of marijuana for adult use at the rate of three (3) percent**

**This public hearing is opened at 7:44 p.m.**

**Those speaking in favor:**

**Council President Lundberg** pointed out this is a bit of business they have to do to adopt a state law in order to receive money.

**Those speaking in opposition: None.**

**Communications: None.**

**Councilor Questions:**

**Councilor Gilman** asked for an expanded explanation of how this revenue can be used and if there is flexibility for its use. **Chip Payson**, General Counsel, noted there are two sections of statute that deals with "3%" - one that the Council is adopting tonight is a sales tax whose funds go into the city's General Revenue Funds, pursuant to MGL Ch. 64N, §3. The other referenced 3% is found in MGL Ch. 94G, §3 which delineates that the use of that revenue has to be reasonably related to recreational marijuana. There is no reasonably related language in MGL Ch. 64N, §3, he pointed out. **Councilor Gilman** clarified the statute they're accepting today is MGL Ch. 64N has flexibility in the funds use. **Mr. Payson** expressed his agreement. He pointed out that under MGL Ch. 94G, §3 the language about being reasonably related to the 3% relates to a community's Host Agreement. That 3% has to be related to what goes on in the marijuana industry, he added. **Councilor Gilman** confirmed with **Mr. Payson** that a community Host Agreements expires after 5 years. He reiterated that MGL Ch. 64N, §3 is a local sales tax and the community impact 3% fee is found in MGL 94G, §3. He touched on the Mayor's memo to the Council with her recommendations on recreational marijuana and advised that MGL Ch. 94G, §3 doesn't need adoption by the Council as it is part of a Host Agreement, none of which has been entered into at this time. He assured that the correct recommendation is before the Council, that of the adoption of MGL Ch. 64N, §3 for the local 3% sales tax on retail recreational marijuana sales.

**Councilor Cox** expressed that this action by the Council is a standard adoption of state statute and in no way advocates having any of these retail stores in the city. **Mr. Payson** added that all this action of adoption of state law does is to allow the city to avail itself of the 3% tax funds should Gloucester allow a certain number of retail recreational marijuana shops or ban them all together; but without accepting this state statute, Gloucester can't obtain the 3% sales tax. **Councilor Cox** pointed out that this advocates nothing by the Council but that the Council is adopting a state law should voters decide to have a facility or facilities in Gloucester. **Mr. Payson** advised that it is prudent to keep the Council and Administration's option open so they don't find themselves hamstrung in their decision making for the future.



**Councilor Holmgren** clarified the five year expiration of a Host Agreement. **Mr. Payson** pointed out it is a contractual agreement which doesn't have to be renewed, but it can be renegotiated and renewed depending on the circumstances with a retail recreational marijuana establishment after the statutory agreement expires.

**Councilor LeBlanc** pointed out that that this industry is all-cash transactions and expressed concern as to how the city will account for its capture of the 3% sales tax. **Mr. Payson** highlighted that banks with ties to the federal government through federal regulation and insured by the FDIC aren't allowed to take money in from marijuana businesses since it is illegal on a federal level. **Councilor LeBlanc** asked how such revenue would be overseen. **Mr. Payson** explained there will have to be reporting mechanisms built into the community Host Agreements and with the state's Department of Revenue (DOR) on what the income is annually and a review process; and based on that there will be a "settling up of accounts." **Councilor LeBlanc** expressed his agreement of the adoption of the tax, but suggested it would be difficult to figure out given these are all-cash business concerns. **Mr. Payson** noted that things will even out with policies and procedures that will be put into place. He highlighted this same situation is playing out across the state, and the Cannabis Control Commission (CCC), the DOR and the state will want to be sure that municipalities that adopt this sales tax get their money.

**Jim Destino**, CAO, advised that the adoption of this sales tax is the local sales tax on recreational marijuana sales, much like the hotel/motel tax and meals tax adoption. The taxes are reported to the DOR that send back checks to the city on a quarterly basis. The information that Mr. Payson gave was correct, he pointed out. The other 3% is a negotiation within the Host Agreements, and is an "impact fee." That spending has to be justified and the CCC has been clear that it might not be easy to justify that spending after a while. He pointed out that when speaking about cultivation and other types of establishments it could be a larger accumulation of funds that the city might not be able to spend its 3% gained from Host Agreements. That money gained through a Host Agreement has to be reported to the state as to how it's being spent and has more to it. That is an impact fee, which is geared towards certain costs incurred by the city, and the sales tax is money that goes to the General Fund.

**Councilor Gilman** clarified that she didn't regret having approved a medicinal marijuana facility. At the time of Council approval she suggested that they didn't understand the impact fee would be earmarked for that industry. That was new and evolved with the CCC incorporating it into that general act. **Mr. Destino** noted he was unsure that was the case with medical marijuana facilities. **Mr. Payson** pointed out that when the Council passed the recreational marijuana piece, MGL Ch. 94G, §3 didn't exist. While related as to industries, the timing is completely separate.

**Councilor O'Hara** noted the 3% and growing facilities, and that this 3% would also be tied to a growing facility. **Mr. Destino** said, "No." That would be the 3% on a Host Agreement, not the local retail recreational marijuana sales tax which is what is before the Council.

**Councilor Hecht** confirmed the state's take is 15% and out of that 3% is returned to the city which **Mr. Destino** confirmed.

**This public hearing is closed at 7:54 p.m.**

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 Massachusetts General Law chapter 64N, section 3 to impose an excise tax on the retail sales of marijuana for adult use at the rate of three (3) percent.

#### **DISCUSSION:**

**Councilor Cox** explained that before the Council is proposed language for the acceptance of a 3% sales tax on retail recreational marijuana. She noted that this is the local option and will be paid to the city through the state so that if the retail outlets open July 1 the city will be ready to accept these funds.

**MOTION: On a motion by Councilor Cox, seconded by Councilor Memhard, the City Council voted 9 in favor, 0 opposed, to accept Massachusetts General Law chapter 64N, section 3 to impose an excise tax on the retail sales of marijuana for adult use at the rate of three (3) percent.**

#### **For Council Vote:**

- 1. Decision to Adopt: SCP2018-001: School Street #1, Map 14, Lot 67, GZO Sec. 2.3.1(8) Conversion to or new multi-family or apartment dwelling, seven or more dwelling units**

**MOTION: On a motion by Councilor Gilman, seconded by Councilor Cox, the City Council voted by ROLL CALL 9 in favor, 0 opposed, to adopt the Special Council Permit (SCP2018-001) decision for School Street #1 pursuant to Sec. 2.3.1 (8) of the Gloucester Zoning Ordinance.**

**Unfinished Business: None.**

**Individual Councilor's Discussion including Reports by Appointed Councilors to Committees:**

**Update on the Waterways Board by City Council Representative, Councilor Steven LeBlanc,** who highlighted the following matters: The harbormaster's marina is fully functional and open. An engineering study is on-going for the next two weeks on the Magnolia Pier and a report will be sent to the Administration. National Grid is installing a 4<sup>th</sup> electronic system to all the piles and the docks at no charge to the city. There is a small amount of electrical current that runs through the harbor that eats into metals like zinc so that while tied up at the dock as long as they're on the Harbormaster's dock a boat will be protected. Transient mooring reservations are up by 35% over last year. The Harbormaster's office has issued over 50 new moorings and 100 moorings total from years past. The wait list which has been stagnant for years has been reduced by 200 people due to the reorganization of the mooring list that the Harbormaster's office has done, to which the Councilor expressed his approbation. The Shellfish Constable is now located at the Harbormaster's Office as a result of a reorganization of the Harbormaster's office. Additionally, the Harbormaster's office is fully staffed and ready for the summer season. The new docks and pilings are in, and the public was encouraged to visit Harbor Loop to view it.

**Councilors' Requests to the Mayor:**

**Councilor Hecht** reminded that they're fully funded for materials for the 4.3 miles of lights to be installed in the downtown trees on Main Street. He advised they're seeking electrician volunteers, needing 60 man days to accomplish the installation (equates to \$55,000 donated electrical services) according to super volunteer Brent "Ringo" Tarr. The goal is to have a Flip the Switch party on July 14, the date of first Block Party. He noted 100 T-shirts for volunteers of the project have been donated by Sweats of New England for which they're creating a logo.

**Councilor Gilman** announced that Lane's Cove Seawall reconstruction work will start on Monday, May 14. Work will be done Mondays through Fridays with a 30-foot trailer parked on the left side where most of the lobster traps are staged. The Harbormaster, she reported, gave his assurance that there would be a four foot path for access to dinghies. The Harbormaster has reached out to 5 mooring holders to move them for the duration of the reconstruction and three have contacted him. He asked that any mooring holder who has a concern to reach out directly to him. There is a clean-up of Lane's Cove scheduled for Saturday, May 12 from 8:00 a.m. to 9:00 a.m. with the One Hour at a Time Gang and the Clean City Commission. Plans are in the Fish Shack for the seawall and will be able to be viewed during that timeframe. Coffee and donuts will be provided, she advised. She mentioned Dogtown Days this past weekend which she indicated was a success, noting that Council President Lundberg joined them, and Councilor LeBlanc was there for the opening remarks. She noted the stump "dump" was removed. She further announced that this is Municipal Clerk's Week and offered her thanks to Gloucester City Clerk, Joanne M. Senos, and the Assistant City Clerk, the Clerk of Committees and the entire City Clerk's staff.

**Councilor O'Hara** noted that on Monday, May 21, there will be another Red Cross Blood Drive at the Magnolia Library from 2:00 p.m. to 7:00 p.m. Call 1-800 REDCROSS to make an appointment although an appointment isn't mandatory.

**Councilor Holmgren** mentioned the North Shore Health Project on Tuesday, May 22, is honoring Cindy Cafasso Donaldson, Vice President of the Addison Gilbert Hospital and Lahey Outpatient Center, for her years of work in the health and human services field. She will receive the Health Project's annual Community Health Activist award. The event is a breakfast at the Gloucester House starting at 7:30 a.m.; tickets are \$30/person or table of 10 for \$300. Reservations can be made by calling Executive Director of the Health Project, Susan Gould Coviello at 978-283-0101.

**Councilor Memhard,** on behalf of Councilor Cox and Hecht, the two other members of the Budget & Finance Committee, invited folks to attend the first FY19 budget public meeting which starts at 5:00 p.m. on Thursday, May 10 (in the 3<sup>rd</sup> Fl. Conference Room at City Hall). He thanked the Councilors for their support on the Habitat project saying that the Council pulled together and worked well on a challenging situation. Residents in the vicinity of 159 East Main Street are still complaining about excessive noise emanating from that property, he reported. The new owners are making improvements but haven't gotten there yet. They are seeking a solution and the matter will be carried forward, he advised. He reported that the DPW will proceed shortly with a temporarily repair the Good Harbor Beach footbridge for the summer. He noted that the permanent repairs which involve engineering and permitting for a new footbridge will take place in the fall and winter. He reported that the Piping Plovers have an egg in their nest in the Good Harbor Beach parking lot having been scared off the beach. That nest is now protected

by the DPW to offer them shelter and protection. He advised that Cape Ann has been “blessed” with Right and Setto whales populating our coastline feeding as little as 10 feet off the rocks. He cautioned spectators that NOAA regulations protecting these endangered whales are very strict and no one can approach by boat, drone or other means. Should anyone come close to the whales they risk serious penalties. He asked that people be respectful of the whales’ right to feed unimpeded and keep their distance.

**Councilor Nolan** reported that the Magnolia Library will host a Taste of Magnolia on Saturday evening, May 12 at the Library’s Community Center. This is a good way to keep the community center growing with raising funds for it. He lauded the Administration, the Waterways Board, and the Harbormaster for locating funding for an engineering study of the Magnolia Pier. He advised they’re working as fast as possible on it with the good weather coming.

**Councilor Cox** thanked the Councilors who read for the First R Foundation this week or are scheduled to read. She noted they’ll be at the Sidewalk Bazaar as well and over the summer as well as doing other First R events perhaps at City Hall to invite kids in with celebrity guest readers.

**Councilor LeBlanc** thanked the DPW for filling potholes around the city. He requested that the DPW put the American Flag now located on the auditorium stage onto a pole extending from the balcony on the left side of the auditorium which would be aesthetically pleasing and that the Council wouldn’t be turning their backs to the audience during the Pledge of Allegiance. He thanked Councilor Cox for exhibiting her photographs on the wall of the Lone Gull which he noted he admired and offered his congratulations.

**Council President Lundberg** highlighted that an upcoming event at the Rocky Neck Cultural Center, an exhibition called, “In War and After, the Art of Combat Veterans” curated by Ken Ruby, a Gerring Road resident and faculty member of the Museum of Fine Arts School and a sculptor and Veteran. The exhibit will run from May 17 to May 24. On May 20, he noted there will be an opening reception and a discussion at Gloucester Stage following that. He noted that Mr. Ruby has done a “fine job” of finding special art for this exhibit.

**A motion was made, seconded and voted unanimously to adjourn the meeting at 8:15 p.m.**

**Respectfully submitted,**

*Dana C. Jorgensson*  
Clerk of Committees

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