

Budget & Finance Committee
Thursday, September 20, 2018– 5:30 p.m.
1st Fl. Council Committee Room – City Hall
-Minutes-

Present: Chair, Councilor Melissa Cox; Vice Chair, Councilor Scott Memhard; Councilor Ken Hecht

Absent: None.

Also Present: Kenny Costa; Jim Destino; John Dunn; Fire Chief Eric Smith; Assistant Fire Chief Joseph Aiello; Fire Captain Jamie Santos; Mike Hale

The meeting was called to order at 5:31 p.m. Matters were taken out of order.

1. Memorandum from Council On Aging Executive Director re: request approval of FY18 Title III Older Americans Provider Service Grant in the amount of \$8,190.30

Jim Destino, CAO, conveyed that this grant is received annually and that this is a roll-over grant from the previous fiscal year which funds the Outreach Coordinator position; the grant is calculated by population.

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 M.G.L. c. 44, §53A a federal grant passed through the Mass. Executive Office of Elder Affairs through SeniorCare, Inc., for a Title III-B Older Americans Act Grant for \$8,190.00 for FFY2018. Funds are to be used to supplement the hours and part-time salary for an Outreach Community Education Worker at the Rose Baker Senior Center.

2. Memorandum from Fire Chief re: request acceptance of the FEMA AFG 2017 Grant for three (3) stretcher loading and security systems, in the amount of \$145,454 with a 10% match from the city in the amount of \$14,545

Fire Chief Eric Smith advised that the city is in receipt of a second FEMA (Federal Emergency Management Agency) Assistance to Firefighter Grant in the amount of \$145,545 that will be used to retrofit three (3) Fire Department existing ambulances with compliant stretcher loading/security systems. This system is what they must install now as required by law. **Mr. Destino** recognized the great work by the Fire Department's staff writing two successful and substantive FEMA grants.

Captain Jamie Santos, co-writer of the FEMA grant application with FF/Paramedic Andrew Lyons, pointed out that the FEMA representative told him that there were 10,000 applications with 2,000 grants awarded. He noted the stretcher company will provide a warranty for the new stretchers for seven to nine years, which will be serviced annually. The current stretchers have about a year left before the stretcher company has the option say the stretchers are past their life expectancy and would no longer be guaranteed to be safe. He described the current stretcher operations for **Councilor Memhard** which requires physically lifting the stretcher with the patient to load it into the ambulance whereas the new stretchers lift the patient and stretcher through an automatic system without firefighters having to physically lift the stretcher and secure it into the ambulance. This new system protects not just the patient but the firefighters as well which should help minimize injuries.

Chief Smith advised **Councilor Cox** that the installation on the current three units will move quickly with the installation done on site requiring no down time for the city's ambulance service. All four ambulances will have identical equipment. He explained briefly the particulars of ordering the recently approved new ambulance with an estimated time to go on line of about +/- six months.

Councilor Cox commended Captain Santos and his fellow firefighters for their coming forward to write grants that have yielded essential capital equipment for the department. **Chief Smith** advised that the department needs have fortunately fallen in line with FEMA's requirements for grant awards.

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 Federal Emergency Management Agency (FEMA)/ Department of Homeland Security (DHS), a FY2017 Assistance to Firefighters Grant (AFG) in the amount of \$145,454. The purpose of this grant is to fund the retrofitting of three (3) Fire Department ambulances with compliant stretcher

loading/security systems with a 10 percent local match funded by the City of Gloucester. The grant period of the AFG grant is from August 30, 2018 to August 29, 2019.

3. Memorandum and Supplemental Appropriation 2019-SA-5 from the CFO

Mr. Destino noted that this Supplemental Appropriation from the city's Capital Project Stabilization Fund is for the purpose of the 10% grant match to the just accepted FEMA grant. Having funds available in this Stabilization Fund through a Council backed policy is a great asset to the city, he pointed out.

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 approve the following Supplemental Appropriation 2019-SA-5 for \$14,545 (Fourteen Thousand Five Hundred Forty Five Dollars) from Account #7600-359000, Capital Projects Stabilization Fund, Undesignated Fund Balance to Account #760021-585003, Capital Projects Stabilization Fund, EMS Equipment/Vehicles for the purpose of funding a 10 percent local match for the Federal Emergency Management Agency (FEMA)/Department of Homeland Security (DHS), FY2017 Assistance to Firefighters Grant (AFG) to retrofit three (3) Fire Department ambulances with compliant stretcher loading/security systems.

4. Memorandum and Supplemental Appropriation 2019-SA-4 from the CFO

Mike Hale, DPW Director explained at the Mayor's inauguration she spoke of a need for a municipal facilities master plan. He pointed out that a lack of capital facilities planning in the previous two decades has hindered capital improvement efforts by the city. The master plan will be an overall evaluation of all the city's buildings -- interiors, mechanicals, exterior envelopes and other components to assure the city is optimizing the space. There are two leased buildings, the City Hall Annex and the School Department's administrative offices and preschool at the Blackburn Industrial Park. It was noted that the city also has the burden of facing the replacement of possibly two elementary schools. He advised that this evaluation will be the basis of a larger capital and expenditures plan, pointing out that the city doesn't have the staff to undertake such a study; this requires specialists -- specific types of engineers and professionals to make the appropriate analyses. The plan will involve the School Department; city staff such as building managers and department heads in talking about spatial needs such as office space.

Mr. Hale gave several examples of office space and building analysis issues. They were: The undersized City Auditor's office where there is "nowhere to move." The Central Fire Station could be one building that they'll find there's not much they can do. The building will be examined to see if it can be modernized to continue its use and be functional into the future by looking at structural and spatial issues as well as usage. With the advent of a male and female firefighting force the building needs to meet their needs also.

He highlighted that this study will be about what the city needs, not just what they want. The report will be a guide for the city for the next 20 years.

Responding to a series of questions from **Councilor Cox, Mr. Dunn** advised that there are buildings that will take priority, naming City Hall as one. It is hoped, he explained, that they won't wait until the end in order to get some input; so as a building study is finished, they'll be a general impression as to prioritization. He noted there is a loan order still available previously approved with money still on it for City Hall which won't be quite enough but they have to figure out what will be enough, for instance. This, he suggested, could be a two year project to assess every building, but they've indicated to the consultants a certain order to take on the facilities study and will ask for an interim report as each building is finished. **Mr. Hale** added they'll also look at what the cost of building replacement is versus what the cost is to modernize a building highlighting a building on the DPW Poplar Street campus that was a "state throw-away" metal building that the DPW took on as their central storage barn. He pointed out issues with the building. That building and the Police Station building are two funded projects that are separate from a master plan as is City Hall. The three projects will be fast-tracked, he conveyed, because there are existing loans. That will be taken into context in looking at the building as a whole and gave several examples of issues with the Police Station.

Councilor Cox recounted that the project will be complete in two years yielding a 20 year master plan. **Mr. Hale** added that the study will reveal what they must do now, what they should do now to be parceled out in terms of timing and give the city a "big picture" of what they need to do in light of the need for another new elementary school. The study will examine what spaces are needed; are there efficiencies to be made by consolidating of assets which will drive a conversation on those facilities, particularly with the School district -- not just the physical plant but the educational component as well.

Councilor Memhard asked when the last time a full survey of municipal properties was done. **Mr. Hale** noted the School Department did a “first stab” on the elementary schools when they were looking to see which schools should be replaced first, working with the same consultant. He pointed out that by using the same consultant there are efficiencies to be had as the consultant understands the existing issues, but will be revisiting the schools as that study was done four years ago. There are buildings that have never been surveyed and if one was done it was years ago, he suggested. **Councilor Cox** asked if the city would be looking at facilities they own but have no city employees in occupancy or just occupied facilities. **Mr. Hale** advised the study will look at city-owned buildings focused on the physical plant; they’d look at the spatial needs to the two buildings the city leases for city employees. **Councilor Cox** noted the study will include current buildings used for city work functions; city-owned buildings and confirmed that buildings the city leases out such as the Old Town Hall that houses the American Legion and the dental building won’t be included in the study. **Mr. Destino** advised this is just for city facilities. The land the city owns with no facilities on it is outside of the scope of the study. Noting he and Mr. Dunn look frequently at city properties to reassess them, some under the CFO’s custodial care; but this plan is to study identified buildings and will be a thoughtful, in-depth look at city facilities to aid in the prioritization for what the city needs to do. It will help the schools to make their analyses moving forward as to what they need to do in making those kinds of decisions. **Councilor Cox** pointed out that because it is the city’s responsibility to manage all facilities in relation to the schools, it is their responsibility to set that assessment up. Reminding the Committee that a new combined school will need a debt exclusion under Prop 2 ½ to build, he advised if it fails with the voters then there has to be a “Plan B.”

Councilor Memhard mentioned the Harbormaster’s facility and the Fitz Henry Lane House on Harbor Loop. **Mr. Hale** advised the Harbormaster’s office is under a different contract for a similar study, looking at the facility’s reuse, and is left out of this master study. Once it is finished they’ll need to have knowledge of what the facilities management of that building will be over a period of time to plan for its capital needs. As to the Fitz Henry Lane House, it falls under the same category as the Legion -- it doesn’t have any city staff in it and will not be included in the study.

Councilor Hecht asked about the time frame for the study’s completion, suggesting it would be done by the end of the first quarter of 2019. He noted in terms of the pricing with about 25 buildings, that the cost of the contract equates to about +/- \$12,000 per building which he indicated was reasonable for what the city receives in return. **Mr. Dunn**, offering an alternative formula for assessing the cost of the consultant expressed agreement that this was a cost-effective expense given the scope of the study.

Councilor Cox discussed briefly with **Mr. Hale** whether the results of the study would be appropriate for presentation to the Council. He suggested this could be a difficult thing to present due to the volume of information, and that he’d leave that to the Administration to determine.

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 approve Supplemental Appropriation 2019-SA-4 for \$325,000 (Three Hundred Twenty-Five Thousand Dollars) from Account #7600-359000, Capital Projects Stabilization Fund, Undesignated Fund Balance to Account #760020-530000, Capital Projects Stabilization Fund, Public Building Professional & Technical Services for the purpose of funding a multi-year Master Plan for Municipal Buildings.

5. Memorandum from CFO re: loan authorization request to provide funding for the repair of private ways for Nashua Avenue and Diamond Avenue in the amount of \$215,000

Mr. Dunn reviewed that before the Committee is a loan authorization for the cost of the private ways paving for Nashua and Diamond Avenues. This was a smooth process, he advised. He noted he took the quote for paving and rounded it up to assure there would be enough money to finish the project.

Tony Gross, resident of Nashua Avenue, member of the road committee, noted that prior to petitioning the city, there had been good contact with all the abutters and was able to coordinate several informational meetings as well as reaching out by email to all abutters prior to petitioning the city. He reported that 86% of all the abutters showed up to the final meeting and all voted in favor of the betterment. **Mr. Destino** offered his thanks to Mr. Gross saying that the ordinance requirements were met to the letter, also commenting on how smoothly this process moved forward with buy-in of the abutters.

Responding to an inquiry by **Councilor Hecht**, **Mr. Gross** noted there are 50 parcels with 46 owners between the two private ways and broke down in the end to a betterment cost per parcel of \$400 per year for the ten year term. He described having informed abutters that this is an option where the city can help to make the paving of

their private ways more affordable, and that the city would be taking on the administration of the process. They did not look at the option of paving by private contractor in light of the burden it entails to the abutters. One of the challenges was that many of the residents on the roads are not permanent residents. He suggested based on his experience two areas of the ordinance that could be improved would be by changing “certification” of residency to “verification” of residency. He also questioned whether return receipt requested is necessary when mailing out notices to abutters as it is an added expense, seemingly not necessary.

Responding to an inquiry by **Councilor Memhard** on the collection of the fee from the abutters based on the linear feet of each roadway per ordinance, **Mr. Gross** explained briefly how he collected the money from the abutters on the linear feet fee by communicating by email highlighting that it was a very cooperative group effort given certain circumstances of several abutters. **Councilor Memhard** pointed out this was great example of a great neighborhood building exercise.

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 the following loan order:

Ordered: That the City of Gloucester appropriates Two Hundred Fifteen Thousand Dollars (\$215,000) to pay costs of permanent repairs, including paving to Nashua Avenue and Diamond Avenue, private ways in the City, including 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, Section 7(5), or pursuant to any other enabling authority. Although any borrowing by the City to meet this appropriation shall constitute a general obligation of the City and a pledge of its full faith and credit, one hundred percent (100%) of the amount needed to repay any borrowing pursuant to this order shall be raised in the first instance through the assessment of betterments upon the abutters of the private way, in accordance with M.G.L. Chapter 80, and any other applicable authority. The Mayor and any other appropriate official of the city are authorized to take any and all actions necessary to assess the betterments described above, the term of which will not exceed 10 years, or such shorter time as proscribed by Massachusetts General Law. 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.

6. *Memorandum from Auditor re: adopt Betterment Reserve Funds under MGL c. 44, §53J and adopt a Special Reserve Fund as part of the FY17 audit*

Kenny Costa, City Auditor, recounted for the Committee that the city collects funds from old and recent betterment projects that are in accounts that already exist in the city’s General Ledger. They’re looking to make these funds “legal,” under the new 2016 Modernization Act. He highlighted that this is an opportunity to correct the issue which started in the 1990’s when some of these accounts were created. This is not changing the process, he pointed out; they’re just changing the title. **Mr. Dunn** confirmed these are active accounts and that this is just a title change. **Mr. Costa** highlighted that this was a recommendation of the city’s outside auditors as well.

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 in accordance with MGL c. 44, §53J, the creation of Betterment Reserve Funds in order to reserve revenues from betterments or special assessments to repay debt issued in connection to such improvements. Acceptance of MGL c. 44, §53J will allow the creation of the following Betterment Reserve Funds listed below and new Betterment Reserve Funds in the future.

| Fund # | <u>New Fund Description</u> |
|---------------|---|
| 6700 | SEWER BETTERMENT RESERVE - NORTH GLOUCESTER PHASE 1 |
| 6701 | SEWER BETTERMENT RESERVE - NORTH GLOUCESTER PHASE 2 |
| 6702 | SEWER BETTERMENT RESERVE - NORTH GLOUCESTER PHASE 3 |
| 6703 | SEWER BETTERMENT RESERVE - MARBLE, POND, EASTERN, WITHAM |
| 6704 | SEWER BETTERMENT RESERVE - NORTH GLOUCESTER PHASE 4 & 5 |
| 6705 | SEWER BETTERMENT RESERVE - KENT CIRCLE |
| 6706 | SEWER BETTERMENT RESERVE - BOND, EASTERN, STAGE FORT, ELIZABETH |
| 6707 | SEWER BETTERMENT RESERVE - BARKER, GRUDEN |
| 6708 | SEWER BETTERMENT RESERVE - ADAMS |
| 6709 | SEWER BETTERMENT RESERVE - CALDER, SUNSET, HILLIER |
| 6710 | SEWER BETTERMENT RESERVE - HILLSIDE, GILBERT |
| 6711 | SEWER BETTERMENT RESERVE - PAGE & WAY |
| 6712 | SEPTIC MANAGEMENT BETTERMENT RESERVE |
| 6713 | SEWER BETTERMENT RESERVE- COMPENSATORY SEWER PRIVILEGE FEE |
| 6714 | SEWER BETTERMENT RESERVE - WEST GLOUCESTER A & B |

7. *Outside Auditor Report Update; Memo from City Auditor regarding accounts having expenditures which exceed their authorization & Auditor's Report*

Mr. Costa, noting that the Committee received the information only just before the meeting, he asked that the outside auditor, Roselli, Clark & Associates audit for FY17 update be continued to the next meeting to give the Committee time to read the information (on file). **Councilor Cox** advised she'd meet with Mr. Costa about it prior to the next meeting to look at the suggested list of recommendations from the Management letter and work with the Administration to see what they can move off of the list before next year's outside audit.

Mr. Costa and the Committee discussed the frequency of his twice monthly Reports presentation, eliminating the reports at least for the first half of the fiscal year. When they get closer to the end of the fiscal year they'll ask that the reports be brought to them for their consideration, unless there is a large account that is of concern to the City Auditor that requires the Committee's attention. **Mr. Costa** suggested that starting in January that he provide his Reports to the Committee at their second monthly meeting until the close of the fiscal year to which the Committee agreed. The Committee will carry the City Auditor Reports on their agenda always in case there is a need to bring forward a matter of concern identified by the City Auditor. **Councilor Memhard** pointed this is a statement of the Committee's confidence in Mr. Costa.

A motion was made, seconded and voted unanimously to adjourn the meeting at 6:25 p.m.

Respectfully submitted,
Dana C. Jorgenson
 Clerk of Committees

DOCUMENTS/ITEMS SUBMITTED AT MEETING: None.