

**Budget & Finance Committee**  
Thursday, January 3, 2019 – 5:30 p.m.  
**1<sup>st</sup> Fl. Council Conference Room – City Hall**  
**-Minutes-**

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

**Absent:** None.

**Also Present:** Councilor O'Hara (entered the meeting at 5:45 p.m. and left at 6:45 p.m.); Kenny Costa; Jim Destino; John Dunn; Lucy Sheehan; Sal DiStefano; Jill Cahill; Vanessa Krawczyk; James Pope

The meeting was called to order at 5:30 p.m. Matters were taken out of order.

**1. Memorandum, Grant Application & Checklist from the Council on Aging Director re: FY19 State Formula Grant acceptance in the amount of \$88,848**

**Lucy Sheehan**, Council on Aging Executive Director, recounted that the FY19 COA Formula Grant Allocation funds personnel expenses which she noted is enough (\$12.00 per senior this year; last year was \$10.79) with the current census showing 7,404 seniors living in the city. It is anticipated that the next census will raise the city's number of seniors counted, she added. This is an annual grant from the state; it was noted, for \$88,848. **Jim Destino**, CAO, announced that the Senior Center's parking area and driveway which has been in poor repair is going to be paved shortly; funding will come from Free Cash.

**COMMITTEE RECOMMENDATION:** On a motion by Councilor Hecht, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 favor, 0 opposed, to recommend that the City Council accept under MGL c. 44, §53A, a Massachusetts State FY2019 Council on Aging Formula Grant Allocation from the Mass. Executive Office of Elder Affairs for a total of \$88,848.

**2. Memorandum, Grant Application & Checklist from the Economic Development Director re: request acceptance of the Mass. Seaport Economic Council Grant for Gloucester Fresh in the amount of \$110,000**

**Sal DiStefano**, Economic Development Director, reported that the city is in receipt of a Mass. Seaport Economic Council Grant for the city's Gloucester Fresh seafood marketing and branding program for \$110,000 and conveyed the following information: The 20% grant match requirement is made up of \$10,000 from the city's budget traditionally used for the Seafood Expo; the Dept. of Marine Fisheries Grant funding which the city accepted in late spring of 2018; and additional in-kind services. The grant funds will support continuity of work such as the Gloucester Fresh Seafood program; exhibition space at the Seafood Expo North America as well as marketing, branding, promotion of not only the city's sustainable seafood but also for locally landed lobster. There are trade wars ongoing with China which has stopped their import of lobster from the United States which has hurt local businesses who do business overseas. They will develop promotional videos working with the Mass. Lobstermen's Association to develop an app for consumer to business to order seafood directly; additional website build-out on gloucesterfresh.com; returning for the fifth year in a row to the Seafood Expo; expanding the Gloucester Fresh Restaurant program; and looking into leveraging podcasts and other new technology. Another aspect of Gloucester Fresh is collaboration with community partners including the Gloucester Fishermen's Wives Association; Gloucester's Fisheries Commission and Discover Gloucester to add innovation with the "Seafood Trail". There will be a feature of the city's harbor "Opportunity Zones" for its working waterfront to talk to country-wide and international businesses to bring Gloucester to their attention for locating their businesses to the city.

**Councilor Hecht** expressed how impressive the marketing plan is conveying that there isn't a single database of buyers -- seafood shops, grocery stores, institutions, etc., for a constant contact program. He offered his assistance in the development of such a database and its utilization for outreach that would create a sales program to represent the city's fisheries. **Jill Cahill**, Community Development Director, advised that unfortunately the Seaport Economic Council grant funds can't be used for sales promotion. **Mr. DiStefano** noted part of the money they spend for the Seafood Expo is a badge scanner which has yielded 400 leads to date that is turned over to the city's seafood companies. They have a constant contact list for informational blasts, and he gave the Committee some examples of successful outreach to institutional buyers. While suggesting they could do more, he explained that the city isn't in the business of selling fish by the pound, but to promote the locally landed sustainable seafood as a

quality product and give a platform to Gloucester seafood companies to be at the city's Expo booth in order to meet with customers and utilize donated meeting space at the Expo to close deals. He briefly described how they thoughtfully distribute the data they do obtain. The state of Alaska spends \$300,000 on the Seafood Expo alone, he highlighted. He pointed out that this is the first year that the Mass. Dept. of Agriculture will have a pavilion at the Expo for Mass. seafood companies that do at least 50% domestic catch to have a booth and will refund 50% of the cost. Three Gloucester companies were reported to be able to take advantage of that opportunity -- Intershell, Cape Seafoods, and Connelly's Seafood. This was called a success for the city by **Mr. DiStefano**.

**Councilor Memhard** and **Mr. DiStefano** talked about the "Seafood Trail" and how they can support that effort with part of this grant. **Ms. Cahill** highlighted that this is a community effort and that their door is always open. It was confirmed that SnapChef is still on board. **Councilor Cox** asked if any other city or town is making this kind of effort for its locally landed lobsters. Gloucester is the #1 port in the state for landing lobster, **Mr. DiStefano** confirmed, and that the Mayor's charge is to work with the Mass Lobstermen's Association. By doing that they're helping themselves as the #1 landing port. **Councilor Memhard** asked how the tuna industry fits into this as there is high quality fish landed highlighting NatGeo's promotion of the channel's very popular "Wicked Tuna" series mostly based on Gloucester's tuna fishermen. **Mr. DiStefano** highlighted the city's congratulations extended on the show's 100<sup>th</sup> episode. He noted when he travelled to Atlanta recently, when telling people he was from Gloucester the three things people mention most frequently to identify the city is The Perfect Storm, Gorton's of Gloucester and Wicked Tuna. **Ms. Cahill** advised they're working with Discover Gloucester on the Seafood Trail and incorporate the popularity of Wicked Tuna. **Councilor Cox** urged the development of a Gloucester Fresh Seafood Restaurant Week and suggested that the development of the database Councilor Hecht spoke of could be very helpful in identifying restaurants. She asked had anyone else applied for this type of grant. **Ms. Cahill** confirmed no other city or town did nor do they have this unique model that Gloucester has developed. **Mr. Destino** pointed out that Gloucester is the only city represented at the Seafood Expo.

**Ms. Cahill** and **Councilor Cox** touched on the 20% match composition and Ms. Cahill will provide her with a better breakdown but it was pointed out there is enough for the actual match. **Ms. Cahill** credited Mr. DiStefano with the grant's extension which was advantageous to the city.

**COMMITTEE RECOMMENDATION: On a motion by Councilor Hecht, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 favor, 0 opposed, to recommend that the City Council accept under MGL c. 44, §53A, a Massachusetts Seaport Economic Council Grant for a total award of \$110,000. The purpose of this grant is to fund projects and programs in support of the City of Gloucester's Gloucester Fresh Seafood Program, which promotes and markets the city's fresh seafood catch. This grant expires June 30, 2020 and requires a 20% grant match.**

**3. Memorandum from Community Development Director re: request acceptance of MA Cultural Council Grant for the Rocky Neck Cultural District in the amount of \$5,000**

**Ms. Cahill** reported that the Rocky Neck Cultural District (RNCD) has been awarded a \$5,000 with no grant match as confirmed by **Mr. Destino** noting the contract letter was in error from the state. It is anticipated there will be an acceptance for the Downtown Cultural District shortly, **Ms. Cahill** advised.

**Pat Conant**, 6A Rocky Neck Avenue, Interim Director of the Rocky Neck Art Colony (RNAC); **Chris Griffith**, 18 Sayward Street, Interim Managing Director of the Gloucester Stage Company and **Melanie Murray-Brown**, Development Director of the Gloucester Stage Company were present on behalf of the Rocky Neck Cultural District. **Mr. Griffith** noted this is a collaboration of all RNCD members. The funds are intended to be used for towards the District's economic development. The Cultural District will utilize the Essex County Creates Calendar to drive all the Cultural District's events and information into a central location on line and using a digital media marketing campaign to increase awareness, drive traffic and revenue to the organizations of the Cultural District. **Ms. Conant** mentioned some of the Cultural District partners: The Gloucester Writer's Center; the North Shore Art Association, the Marine Railways and Ocean Alliance.

**Councilor Cox** asked how the Cultural District will track the information from the website. **Mr. Griffith** advised they won't develop a separate website, and will use free means to measure current impact with Facebook, Instagram and Twitter for all the participating Cultural District's partners. They'll utilize the Facebook and Google analytics to track that people are finding information; following through with a purchase and at the end they'll be able to identify where the growth came from for each of the organizations as well as the type of people moving the transactions. **Councilor Cox** suggested a visitor's card for a survey or mailing list. **Ms. Conant** noted that something produced at a cost is not favored as the Cultural District has limited resources. They can implement a

type of system for ticket buyers for the Gloucester Stage Company; it was noted by **Mr. Griffith**. **Councilor Cox** recounted that the Downtown Cultural District a while back utilized a similar card at a low cost from an on-line printer and collected the information at the end of the summer season which was a good source of information. **Mr. Griffith** noted another piece is a printed brochure, but is not part of this grant. It could be incorporated within that brochure which can be broadly distributed through the Stage Company. **Councilor Cox** noted good momentum within the city's tourism sector.

**Councilor Memhard**, Ward 1 Councilor, responding to a comment about tourism and the difficult parking situation on Rocky Neck, noted that there is a balance between economic activity and a thriving Cultural District and the fact that it is a residential area does make it difficult.

The grant funds have to be spent by the start of the summer season, **Mr. Griffith** highlighted. **Councilor Cox** questioned whether the Cultural District might hire someone to direct this effort referenced in the on file documentation. **Mr. Griffith** advised the Stage Company's Digital Marketing Coordinator will manage this effort for the Cultural District, and they'll hire a developer to manage the calendar for the Rocky Neck Cultural District events. It was noted by the City Auditor, **Kenny Costa** that the budget for the personnel expense is \$950.

**Councilor Cox** and **Ms. Conant** briefly touched on the Marine Railways partnership role within the Cultural District.

**COMMITTEE RECOMMENDATION: On a motion by Councilor Hecht, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council accept under MGL c. 44, §53A a state grant from the Massachusetts Cultural Council a FY19 Cultural District Initiative Grant in the amount of \$5,000 for the purpose of supporting the virtual marketing efforts of the Rocky Neck Cultural District. The grant period is from July 1, 2018 to June 30, 2019 and all financial activity must occur prior to June 30, 2019.**

**4. *Supplemental Appropriation-Budgetary Request 2019-SA-18 from the DPW for the repair/maintenance to Lyndale Avenue Retaining Wall***

**Mr. Destino** explained that the Lyndale Avenue retaining wall was in poor repair and needed emergent repair, and as a result the work already was accomplished. Funds through this appropriation will backfill the DPW's repair and maintenance paving account.

**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-18 in the amount of \$18,000 (Eighteen Thousand Dollars) from Receipts Reserved for Appropriation, Highway Force Fund, Transfers to the General Fund, Account #32085-596001, to DPW-Public Services Repair & Maintenance - Paving, Account #0147052-524014 for the purpose of funding the repair and maintenance of the Lyndale Avenue Retaining Wall.**

**5. *Memorandum and Supplemental Appropriation-Budgetary Request 2019-SA-19 from the CFO for the Schoolhouse Road Sewer Infrastructure Improvements***

**Mr. Dunn** explained that the work for sewer infrastructure on Schoolhouse Road will be mostly funded by a \$3 million MassWorks Grant, but in order to fund the city's portion of the proposed sewer infrastructure improvements, the city will need to take \$600,000 from the Sewer Enterprise Fund Certified Free Cash and move it to a newly created account within the Sewer Enterprise Fund specifically for that infrastructure work. The MassWorks award letter is received and the contract is being finalized, **Mr. Destino** reported. They are taking this step now, he explained, is to begin the design work so they don't have to wait on the rest of the funding. This will be the soft cost piece which has to be done beforehand regardless, **Mr. Dunn** added. **Mr. Destino** outlined that the hockey stick piece of property currently owned by Sam Park adjacent to the Fuller property that will be conveyed through the city to FMUV, LLC, and that once that transfer finishes in Land Court which is expected shortly, then the city will close this deal and the work can then move forward.

**Councilor Cox** noted there has been some disturbance to Millet, Trask and Warner Streets to date and asked for a more complete timeline. Once the design work is done which this match to assist in funding, there will be a presentation when the grant comes before the Council, it was noted. The only work has been done to date is test borings, **Mr. Destino** advised. There will be all brand new streets and sidewalks as a result of this work, he noted. **Mr. Dunn** explained that this will be enough for the cost of the design and bid documents. **Mr. Destino** added that

to **Mr. Dunn and Mr. Hale's** credit, they will utilize funds from the Sewer Enterprise Fund Free Cash to purchase new new water and sewer meters funded by the Enterprise Fund Free Cash which need installation, as has been spoken of by the Chair at B&F previously.

**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-19 in the amount of \$600,000 (Six Hundred Thousand Dollars) from the Sewer Enterprise Fund, Undesignated Fund Balance ("Retained Earnings"), Account #6400-359000 to the Schoolhouse Road Sewer Infrastructure Improvements, Transfers in from the Sewer Enterprise Fund, Account #64194-497005 for the purpose of funding Schoolhouse Road infrastructure improvements, the City of Gloucester's portion of a state grant funding for the same purpose.**

**6. Memorandum and Special Budgetary Transfer Requests 2019-SBT-6 & -7 from the CFO for the Munis Utility Billing Module Implementation Expense**

**Mr. Dunn** reviewed that as the city moves forward on to the implementation of the Munis Utility Billing Module he explained that history has to be brought forward which makes a much more complicated conversion and difficult to implement. The want to ensure they have enough implementation and training days to support his transition. The DPW people who do the billing need to understand the system inside out and so they anticipate additional vendor implementation days to complete data conversion and to train staff. Munis estimated the total support needed will total \$16,575. To fund that support, there are two Special Budgetary Transfers, one from the Water Enterprise Fund, and one from the Sewer Enterprise Fund, each in the amount of \$8,287.50 through available budget funds to move to appropriate capital expenditure accounts. The anticipated go-live date it is hoped by the beginning of the next fiscal year but there is no guarantee, he added, in response to a question from **Councilor Cox**. Scheduling of training and implementation for DPW staff was touched on. **Mr. Destino** advised that the financial team has shouldered a tremendous burden with the Munis conversion that is on-going in addition to their day-to-day duties.

**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 2019-SBT-6 in the amount of \$8,287.50 from Sewer Enterprise Fund, Bond Issuance Costs, Account #640052-530027 to Sewer Enterprise Fund, Capital Outlay, Account #640058-580000 for the purpose of funding additional Munis vendor implementation days to complete data conversion and train city staff.**

**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 2019-SBT-7 in the amount of \$8,287.50 from Water Enterprise Fund, Bond Issuance Costs, Account #600052-530027 to Water Enterprise Fund, Capital Outlay, Account #600058-580000 for the purpose of funding additional Munis vendor implementation days to complete data conversion and train city staff.**

**7. Update on Outside Audit; Memo from City Auditor regarding accounts having expenditures which exceed their authorization & Auditor's Report and other related business**

**Mr. Costa** touched on his update to the Outside Auditors' Report (memo on file). He asked that if any Councilors had any questions he could speak to them individually in further detail and briefly touched on several items that are now resolved since his memo was issued in September (on file). He noted the issuance of the new CAFR Report, and showed the Committee a rendering of the cover featuring a photograph taken by Councilor Cox.

**A motion was made, seconded and voted unanimously to adjourn the meeting at 7:02 p.m.**

Respectfully submitted,

*Dana C. Jorgenson*

**Clerk of Committees**

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