



GLOUCESTER CITY COUNCIL CALENDAR OF BUSINESS
TUESDAY, June 18, 2013
7:00 pm
KYROUZ AUDITORIUM, CITY HALL
SCCM #2013-003



AGENDA

ACTION

1. FOR COUNCIL VOTE:

PH2013-023: Loan Order #2013-002: A. Loan Authorization in the amount of \$3,075,000; B. Loan Authorization in the amount of \$1,225,000; C. Loan Authorization in the amount of \$2,200,000 re: Commercial Street/Fort Square Infrastructure
(cont'd from CCM 04/23/13)

(FCV)

2. FOR COUNCIL VOTE:

Adoption of FY2014 Budget

(FCV)

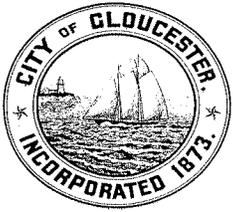
ROLL CALL – In order of seating

Linda T. Lowe, City Clerk

The dates are subject to change. Check with City Clerk's Office.
Special City Council Meeting, June 24, 2013
NEXT REGULAR CITY COUNCIL MEETING, July 9, 2013

NOTE: The Council President may rearrange the Order of Business in the interest of public convenience.

The listing of matters is those reasonably anticipated by the Chair which may be discussed at the meeting. Not all items listed may in fact be discussed and other items not listed may also be brought up for discussion to the extent permitted by law.



GLOUCESTER CITY COUNCIL 2013 PUBLIC HEARING

PUBLIC HEARING NUMBER: PH2013-023
SUBJECT: Loan Order re: Commercial Street/Fort Square Infrastructure
A. Loan Authorization in the amount of \$3,075,000
B. Loan Authorization in the amount of \$1,225,000
C. Loan Authorization in the amount of \$2,200,000

DATE OPENED: 06/18/13
CONTINUED TO:
CONTINUED FROM: 04/23/13
COMMITTEE: B&F 04/04/13, CCM 04/23/13

SEE ATTACHED LEGAL NOTICE

LOAN ORDER
LEGAL NOTICE
NOTICE OF PUBLIC HEARING

The Gloucester City Council will hold a public hearing held on **Tuesday, April 23, 2013** at 7:00 p.m. in the Kyrouz Auditorium, City Hall, relative to the following **Loan Order**:

A. ORDERED that up to **\$3,075,000 (Three Million Seventy-Five Thousand Dollars)** be appropriated for improving roads, drainage, sidewalks, seawall replacement and streetscapes including the payment of all costs incidental or related thereto; that to meet this appropriation the Treasurer with the approval of the Mayor is authorized to borrow **\$3,075,000 (Three Million Seventy-Five Thousand Dollars)** under Chapter 44 of the Massachusetts General Laws or any other enabling legislation; that the Mayor is authorized to contract for and expend any federal, state or private aid available for the project, provided that the amount of the authorized borrowing shall be reduced by the amount of any aid received such prior to the issuance of bonds or notes under this order; and 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.

B. ORDERED that up to **\$1,225,000 (One Million Two Hundred Twenty-Five Thousand Dollars)** be appropriated for the purpose of financing the construction of the following water pollution abatement facilities: water system improvements, including without limitation all costs thereof as defined in Section 1 of Chapter 29C of the General Laws; that to meet this appropriation the Treasurer, with the approval of the Mayor, is authorized to borrow \$1,225,000 (One Million Two Hundred Twenty-Five Thousand Dollars) and issue bonds or notes therefor under Chapter 44 of the Massachusetts General Laws, or any other enabling legislation and/or Chapter 29C of the General Laws; that such bonds or notes shall be general obligations of the City unless the Treasurer, with the approval of the Mayor, determines that they should be issued as limited obligations and may be secured by local system revenues as defined in Section 1 of Chapter 29C; and that the Treasurer with the approval of the Mayor is authorized to borrow all or a portion of such amount from the Massachusetts Water Pollution Abatement Trust established pursuant to Chapter 29C and in connection therewith to enter into a financing agreement and/or a security agreement with the Trust and otherwise to contract with the Trust and the Department of Environmental Protection with respect to such loan and for any federal or state aid available for the project or for the financing thereof; and that the Mayor is authorized to enter into a project regulatory agreement with the Department of Environmental Protection, to expend all funds available for the project; that the Mayor is authorized to contract for and expend any federal, state or private aid

available for the project, provided that the amount of the authorized borrowing shall be reduced by the amount of any aid received such prior to the issuance of bonds or notes under this order; and 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.

C. ORDERED that up to **\$2,200,000 (Two Million Two Hundred Thousand Dollars)** be appropriated for the purpose of financing the construction of the following sewer pollution abatement facilities: sewer system improvements, including without limitation all costs thereof as defined in Section 1 of Chapter 29C of the General Laws; that to meet this appropriation the Treasurer with the approval of the Mayor is authorized to borrow **\$2,200,000 (Two Million Two Hundred Thousand Dollars)** and issue bonds or notes therefor under Chapter 44 of the Massachusetts General Laws, or any other enabling legislation and/or Chapter 29C of the General Laws; that such bonds or notes shall be general obligations of the City unless the Treasurer with the approval of the Mayor determines that they should be issued as limited obligations and may be secured by local system revenues as defined in Section 1 of Chapter 29C; and that the Treasurer with the approval of the Mayor is authorized to borrow all or a portion of such amount from the Massachusetts Water Pollution Abatement Trust established pursuant to Chapter 29C, and in connection therewith to enter into a financing agreement and/or a security agreement with the Trust and otherwise to contract with the Trust and the Department of Environmental Protection with respect to such loan and for any federal or state aid available for the project or for the financing thereof; and that the Mayor is authorized to enter into a project regulatory agreement with the Department of Environmental Protection, to expend all funds available for the project; that the Mayor is authorized to contract for and expend any federal, state or private aid available for the project, provided that the amount of the authorized borrowing shall be reduced by the amount of any aid received such prior to the issuance of bonds or notes under this order; and 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.

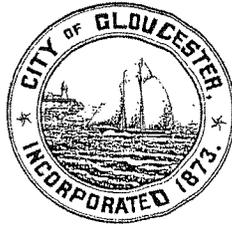
At the public hearing all interested persons will have the opportunity to be heard. **All written communications to the Council must be received by the office of the City Clerk no later than 3 business days (excluding holidays and weekends) prior to the scheduled hearing date or any continuation by the Council of such date in order to be considered by the Council as part of the public hearing.**

At the Public Hearing, all interested persons will have the opportunity to be heard

By Vote of the City Council
Linda T. Lowe, City Clerk

AD#12921858
Cape Ann Beacon 4/12/13

City Hall
Nine Dale Ave
Gloucester, MA 01930



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CITY OF GLOUCESTER
OFFICE OF THE MAYOR

MEMORANDUM

TO: Gloucester City Council
FR: Mayor Carolyn A. Kirk
RE: Commercial St. / Fort Square Infrastructure Financing Plan
DT: May 21, 2013

Councilors,

On March 26, 2013 the Administration submitted for City Council review and approval loan authorization requests and free cash appropriation requests from the water and sewer enterprise accounts for infrastructure improvements in the Commercial Street/Fort Square area. At this time, we respectfully withdraw these requests.

The original estimate for the infrastructure improvements was for approximately \$5 million. Upon closer examination and with the completion of the design and engineering phase, the estimate exceeds \$7.5 million. The financing plan put forward by the Administration totaled \$7.5 million, and there are two significant sources of funding critical to the overall financing package: a) a \$1.4 million grant from Beauport LLC, and b) a \$3 million MassWorks grant. Both of these funding sources are in jeopardy due to appeals on the Beauport LLC project, and the Administration believes that the prudent course of action is to indefinitely postpone the infrastructure work until all appeals have been resolved.

It is important to note that the MassWorks grant is an infrastructure grant that is dependent on the new jobs and expanded economic development that would arise as a result of the Beauport Hotel and the infrastructure necessary to support it. It is not an infrastructure grant for the sake of infrastructure.

It goes without saying that if the Beauport Hotel is not built then the \$1.4million grant from the developer is not realized.

Under these circumstances of a higher than anticipated estimated cost and \$4.4 million in uncertain funding, the Administration is forced to reconsider its options on the Commercial Street / Fort Square infrastructure project.

4. **Emergency Services:**
Emergency Medical Services plans are to be approved by Sander Schultz, Fire Department EMS Coordinator and filed with that department by April 30, 2013.
5. **Staffing:**
Event staff is to have cell phones and be identified by distinct shirts. A list of event staff and their cell phone numbers is to be submitted to the Police, Fire and DPW Departments in advance of the event.
6. **Notification of Immediate Abutters and Businesses to Race Course:**
Notice shall be made by the event organizers by hand or by mail no later than 7 days in advance of the event to function halls, motels and hotels and other businesses along the race route.
7. **Use of the Good Harbor Beach Footbridge:**
That race organizers advise participants and onlookers that the footbridge at Good Harbor Beach is closed.
8. **Responsibility of the Cape Ann YMCA:**
The Cape Ann YMCA is also required to obtain any necessary approvals from the Licensing Board, the Health Department and the Licensing Commission. It is the sole responsibility of the Cape Ann YMCA to ensure that all required documentation is timely filed with the appropriate City departments as indicated. Failure to comply with any conditions precedent may result in permit revocation.

Scheduled Public Hearings:

1. **PH2013-023: Loan Order # 2013- 002: A. Loan Authorization in the amount of \$3,075,000; B. Loan Authorization in the amount of \$1,225,000; C. Loan Authorization in the amount of \$2,200,000 re: Commercial Street/Fort Square Infrastructure Project**

Linda T. Lowe, City Clerk informed the Council that it is in receipt of a memo from Jim Duggan, CAO dated today requesting on behalf of the Administration for the Council to continue this public hearing to the regularly scheduled Council meeting of June 24, 2013. **Council President Hardy** said that the Council tries to avoid scheduling such matters for the last week of June. After polling the Council, she said this matter would be taken up at the Council's special meeting on June 18th and would start that meeting 6:30 p.m. to accommodate the continuance of this matter.

Council President Hardy declared the public hearing is opened and continued to June 18, 2013.

This public hearing is continued to June 18, 2013 at 6:30 p.m.

2. **PH2013-024: Proposed amendment to the Beach and Stage Fort Park Regulations pursuant to Sec. 7-16 of the City Charter and any amendments to relevant sections in the Gloucester Code of Ordinances**

This public hearing is opened.

Those speaking in favor:

Mark Cole, Assistant DPW Director said that the revisions pertain to the first several sections of sticker eligibility to make it easier to understand for those selling the stickers and the people to buy the stickers. He met with the O&A Committee.

Councilor Ciolino asked if these changes should take care of recurring issues. **Mr. Cole** said it should. **Councilor Ciolino** said if the person owns property in the City and leases a car can they get a beach sticker. **Mr. Cole** said that as long as a copy of the actual lease is in hand along with the car registration at the time the person comes for a beach sticker and is in the rules and regulations; a tax bill will not do for a leased car.

Those speaking in opposition: None.

Communications: None.

Councilor Questions:

Councilor McGeary asked about vehicles with dealer plates. **Mr. Cole** said dealer plates are not eligible, and the regulation also spells this out clearly.

This public hearing is closed.

CITY COUNCIL STANDING COMMITTEE

Budget & Finance

Wednesday, May 8, 2013 – 5:30 p.m.
3rd Fl. Council Conference Room – City Hall

FY14 BUDGET REVIEW #1 – REVENUES

Present: Chair, Councilor Paul McGeary; Vice Chair, Councilor Joseph Ciolino; Councilor Melissa Cox
Absent: None.

Also Present: Councilor Theken; Kenny Costa; Jeff Towne

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

Tab 1 - Revenues for General Fund, reviewed as follows FY14 Budget Transmittal Letter:

General Fund Revenue:	\$ 92,521,987
One-Time Revenue Sources	\$ 350,000
Reserve for Abatement & Exemption	\$ (400,000)
Debt Shift -CSO	\$ (1,888,461)*
Total Net Available Funds for FY14	\$ 90,583,526

Revenues available for appropriation have increased by 2.3 percent this year over last year, noted as signs of an improving local economy, stabilizing state revenues, but also continued reliance on the tax increase allowable under Proposition 2½.

**This budget includes a debt exclusion for the on-going federally mandated CSO project. The Administration is showing the revenue raised from the debt exclusion, however, an equal amount is taken as debt expenses resulting in a zero sum budget impact.*

Comments:

Jeff Towne, CFO reviewed the following:

- Property tax levy was increased by 2.5 percent. More revenue was maximized such as new growth. The City did over \$650,000 this year. Anywhere revenues could be bumped up within a safe limit such as such as meals and room taxes as two examples. A less conservative approach was taken this year over last year. Tax title revenue from last year to this year is about half. There were no further outstanding payments for 2009.
- The only major difference on the Cherry Sheet is the Charter School assessment. The money in the budget reflects the elimination of what would have been charged to the city as a Charter School assessment. In addition, there will be residual aid for the next two years, as reimbursement catches up. This number may have to be modified moving forward. On inquiry by **Councilor Theken, Mr. Towne** noted that \$234,000 in reimbursements from the state has been received to date which is included in the current budget. FY13 reimbursement is \$234,000. FY14 reimbursement is estimated at \$276,000. The assessment is now at zero; he said; and results in a significant increase in net state aid for the City.
Tab 1, Page 1:
- Line 46205 – E2-Charter Tuitions (also known as Charter School Sending Tuition) (\$196,532): **Mr. Towne** pointed out the estimated increase of \$79,500. He noted the information contained in the updated Cherry Sheet information submitted on 5/8/13 (on file). The offset receipts (School Lunch, School Choice Receiving Tuition and Public Libraries) are committed to specific funds and are not available for appropriation for general fund expenditures. Gross state aid will be about \$10,074,249. Charter School Sending Tuition next year will be zero. That is where the net state aid increase of \$1,300,000 shown in the Mayor's memo is derived. The \$196,000 in residual aid is also included in the amount available to the general fund so the total net increase is \$1,496,000.
- Line 46606 – C7 Vet Benefits (\$209,956). This line item and Veterans Blind, Surviving Spouse and Elderly is handled by the Assessors office.
- Line 46603 – B11-State Owned Land (\$17,224). This was noted to be similar to payment in lieu of taxes to the City.

- Unrestricted General Aid will go up \$80,000. Veterans Aid is anticipated to go up as well. **Mr. Towne** said the City is spending more money than in the past for Veterans benefits, and he will do more exploration with the reimbursement numbers with the state. He noted there is a higher case load being carried by the City's Veterans Services. **Councilor Theken** volunteered to work with The city's Veterans Agent and Mr. Towne to explore possible duplicate processes to help contain costs.
- Retired Teacher's Health Insurance had been reduced in FY13 likely due to retirements, **Mr. Towne** said. This represents amount due to retired members of the Mass Teachers Association. The teachers, the Committee was informed, are all MTA. It was pointed out that the retired teachers' health insurance is through the state's Group Insurance Commission (GIC).
- The substantial increase in funding is almost entirely due the Charter School closing. **Councilor McGeary** noted many of the Charter School students will be enrolling in the City's school system and that, in his opinion, the funds should go to the schools. It was also pointed out that with the closure of St. Ann's School at the end of the current school year will likely see another uptick in student enrollment in the City's schools.
- The net Cherry Sheet state aid is \$6,200,000 which goes into the General Fund.
- Offset aid is separate aid with separate line items..

**TOTAL Cherry Sheet Revenues:
FY14 Estimated Revenue**

(\$10,074,249)

Tab 1, Page 2 - General Fund Other State/Federal Revenues:

Line 47400 – Federal Payments on Behalf of Retirees (\$150,572) – this is how much the City receives for Medicare drug subsidy (to help defray costs associated with the so-called “doughnut hole” in Medicare drug coverage).

Line 46202 – School Construction (\$1,561,649). This is MSBA reimbursement which is in two pieces. The majority of this line item is for Gloucester High School repairs and the smaller portion is for Veterans Memorial school roof.

Line 46805 – Medicaid Reimbursement (\$200,000). This represents funding for students with Individual Education Plans (IEP's).

Line 46210 – Urban Renewal (\$3,000). This is akin to a PILOT and is paid by the Central Grammar School Apartments.

Other Federal/State Revenues:

FY14 Estimated Revenue

(\$1,959,721)

Tab 1, Page 3 - Miscellaneous Receipts:

Line 48920 – Misc. Receipts (\$30,000) is a catch all line item.

Line 48931 – Misc. Gloucester Crossing Agreement (\$16,667) is for the payments towards the cost of an ambulance as part of the Gloucester Crossing Agreement set as one of the conditions.

Line 48930 – Revenue Other Misc. Varian (\$67,850). This is for a lot the EDIC sold to Varian, and the payment is represents Varian not building on the property. FY14 is the seventh year of this payment to the City.

Total for Revenues – Other, Miscellaneous

FY14 Proposed Revenue

(\$111,517)

Tab 1, Page 4 – Dept. 121 - Mayor

Line 48001 – Wind Turbine Revenue (\$350,000). 2.9 million kilowatts have been produced from January to March 18, 2013 according to Mr. Towne. The calculation was based on a conservative estimate not knowing when the turbines will have generated 9 million kilowatt hours. Upon reaching 9 million kilowatt hours, the discount to the City is at the rate of 75 percent. If 11 million kilowatt hours is reached, and the City only consumes 10 million kilowatt hours, the City receives that 1 million kilowatt hours at a discount of 100 percent. **Mr. Towne** said beginning next year the goal will be for these funds to go into a new Public Safety Capital Project Fund for the building of the public safety center. This year the revenue received from the wind turbine agreement goes in as a one-time revenue source.

REVISIT: LINE 48001 – WIND TURBINE REVENUE

Total for Revenues – Mayor – Dept. 121 Mayor**Total for Revenues – General Fund – Dept. 141 – Assessors
FY14 Proposed Revenue (\$100)**

Line 48201 – Interest Income: Savings (\$68,000).

Line 41100 and 41200 – Real Estate Tax (\$65,849,608) and Personal Property Tax (\$1,560,735). The figures are calculated based on last year's levy limit, plus new growth, plus 2.5 percent plus any debt exclusions, specifically those for the CSO project and the purchase of Pole's Hill. **Mr. Towne** said that the debt payment is whatever is issued for long-term debt for the CSO debt which would be paid no matter what. It would have shown in the sewer fund and water fund, but the Council voted for a debt exclusion in the General Fund. The City can budget \$65,849,608 for real estate tax revenue. New growth is up almost \$150,000 up from last year. The new growth figure had been declining in recent years, but is moved up somewhat this year to reflect the improving economy.. At the recap this will be reflected as actual numbers. The values are January 1 of the previous year for the values of the next fiscal year. This year's values wouldn't show up until FY15. Building permits and electrical permits are up, **Mr. Towne** noted.

Line 41300 – Overlay (\$400,000) This figure reserved to defray the costs of real estate tax abatements is the same as last year.

Line 42500 – Motor Vehicle Excise Tax (\$2,825,000). Up slightly.

Tab 1, Page 7

Line 41810 – PILOT Payment for the Wind Turbines (\$40,000). This is the first-year payment and will increase by 2.5 percent each year of the agreement with Equity Industrial Turbines.

Tab 1, Page 8

Line 41900 – Hotel/Motel Exc. Revenue (\$450,000). The tax percentage is .75 percent to the City

REVISIT: LINE 41900 – HOTEL/MOTEL EXCISE TAX REVENUE

Line 41910 – Local Meals Tax (\$475,000). The tax is 6 percent on rooms to the City. This budget was increased by \$75,000, **Mr. Towne** said.

REVISIT: LINE 41910 – LOCAL MEALS TAX REVENUE**Total for Revenues – General Fund – Dept. 145 – Treasurer/Collector
FY13 Proposed Revenue (\$71,570,943)**Tab 1, Page 9 - City Clerk:

Mr. Towne noted these revenues had little change.

Line 46802 – Other Misc: Elections (\$7,773). (One Time) reflects the cost of the elections for 2013 and 2014.

Line 44207 – Rev-Lic/Per: Dog:(\$35,000).

Line 44210 – Rev. Lic./Per: Clerk Misc. (\$15,000). **Mr. Towne** said that this line item will need to be explored.

**Total for Revenues – General Fund – Dept. 161 – City Clerk
FY14 Proposed Revenue (\$114,373)****Total for Revenues – Dept. 163 Registration
FY14 Proposed Revenue (\$1,300)**Tab 1, Page 12 – License Revenues:

Line 44100 – Lic/Per: Liquor and Line 44209 (\$150,000) Lic/Per: Business: Liquor license revenue is the same as last year.

Total for Revenues – Dept. 165 Licensing Board

FY14 Proposed Revenue **(\$150,000)**

Total for Revenues – Dept. 176 ZBA **(\$12,000)**

Tab 1, Page 14 – Police-Administration

Line 42401 - Parking Meters (\$320,000): Revenue currently is \$295,058 with one and a half months left to deposit. **Mr. Towne** said revenue is down due to I4-C2 for being open and available for free parking. **Councilor Cox** asked for an update as to when the City will hear from the Department of Environmental Protection to allow I4-C2 to be used as a temporary parking lot.

Line 47702 - Parking fines (\$295,000). Currently the City is at \$259,000 with one and a half months left to deposit.

Total for Revenues – Dept. 210

FY14 Proposed Revenue **(\$725,250)**

Tab 1, Page 15 – Fire Department:

Line 42403-Ambulance charges (\$850,000): This number is coming back up slowly. **Mr. Towne** said not all the kinks have been worked out of the new system yet. **Mr. Costa** and **Mr. Towne** said that the revenue will not likely reach \$1,000,000 for FY14. **Mr. Towne** said improvements with the new system with the billing company still need to be made. FY13 ambulance revenue is \$800,000 currently.

Total for Revenues – Dept. 220

FY14 Proposed Revenue **(\$941,500)**

Tab 1, Page 16 – Inspectional Services

Line 44501 – Rev-Lic/Per: Building (\$450,000). **Mr. Towne** noted revenue is up over last year from \$412,000. This Line is to be revisited.

Total for Revenues – Dept. 241

FY13 Proposed Revenue **(\$799,000)**

Total for Revenues – Dept. 296

FY14 Proposed Revenue **(\$25,000)**

Tab 1, Page 18 – Solid Waste Disposal/Recycling:

Line 42404 – Trash Disposal Fees: Trash disposal fees were decreased to \$925,000 from \$950,000, and **Mr. Towne** said that the Administration believes that is a good figure. This line item consists mostly of revenue gained from the sale of Barney bags.

Total for Revenues – Dept. 403

FY14 Proposed Revenue **(\$925,000)**

Total for Revenues – Dept. 411

FY14 Proposed Revenue **(\$14,000)**

Tab 1, Page 21 - Public Property Maintenance:

Line 42400 – Parking Fees - Season Parking (\$186,000). Fees revenue is raised. The current revenue figure is now \$136,516 with June collections still to be received in FY14 for parking stickers.

Line 42410 – Parking Fees Daily (\$1,450,000). Revenue for this line item is raised conservatively.

Total for Revenues – Dept. 421

FY14 Proposed Revenue **(\$2,000)**

Total for Revenues – Dept. 470

FY14 Proposed Revenue **(\$1,754,641)**

Total for Revenues – Dept. 510

FY14 Proposed Revenue	(\$120,000)
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Tab 1, Page 23 - Dept. 992 Special Revenue Fund.
Line 49700 Transfers In.

Total for Revenues – Dept. 992

FY14 Proposed revenue	(\$79,393)
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Tab 1, Page 24 – Dept. 994 – Special Assessment Funds
Line 49700 Transfers In (\$2,480,000). This line item was noted to consist of betterments.

Total for Revenues – Dept. 994

FY14 Proposed Revenue	(\$2,480,000)
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Total for Revenues – Dept. 996

FY14 Proposed Revenue	(\$92,471,987)
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TOTAL FOR GENERAL FUND

FY14 Proposed Revenue	(\$92,871,987)
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Tab 2, Page 109 – Dept. 911- Pensions

FY14 Proposed Appropriation	(\$6,652,009)
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Tab 2, Page 110 – Dept. 942 - Regional Vocational School

FY14 Proposed Appropriation	(\$1,172,072)
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Tab 2, Page 111– Dept. 992 – Special Revenue Fund

FY14 Proposed appropriation	(\$75,000)
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A motion was made, seconded and voted unanimously to RECESS the meeting at 7:20 p.m. until Thursday, May 13, 2013 at 5:30 p.m. to review the Community Development, Veterans Services and Tourism budget in the 1st Fl. Council Committee Room, City Hall.

Respectfully submitted,

Dana C. Jorgenson
Clerk of Committees

DOCUMENTS/ITEMS SUBMITTED AT MEETING:

- Mass. Dept. Of Revenue FY14 Local Aid Estimates (most recent)
- PERAC Memorandum to Gloucester Retirement Board dated 1/6/12
- FY14 Budget - Tab 1, Revenues – with commentary
- FY13 Ordinary Budget Transfers
- FY13 Supplemental Appropriations
- FY13 Special Budgetary Transfers

REVISITS:

Page 4, Dept.121 - Line 48001: Wind Turbine Income

Page 6, Dept. 241 - Line 44501: Rev-Lic/Per: Building
Page 8, Dept. 145 - Line 41900 – Hotel/Motel Exc. Revenue
Page 8, Dept. 145 - Line 41910 – Local Meals Tax

INFORMATION REQUESTED:

Update as to when the City will hear from the Department of Environmental Protection to allow I4-C2 to be used as a temporary parking lot.

DRAFT

CITY COUNCIL STANDING COMMITTEE

Budget & Finance

Thursday, May 13, 2013 – 5:30 p.m.

1st Fl. Council Committee Room – City Hall

FY14 BUDGET REVIEW #2 – Veterans' Services, Community Development (including Grants) & Tourism

Present: Chair, Councilor Paul McGeary; Vice Chair, Councilor Joseph Ciolino; Councilor Melissa Cox
Absent: None.**Also Present: Councilor Jackie Hardy; Jim Duggan; Kenny Costa; Tom Daniel; Richard Barbato****The meeting reconvened at 5:30 p.m.****Department 543 – Veterans Services – Page 99-100:**Presenting the Veterans Services Department Budget was **Richard Barbato**, Veteran's Agent as follows:

Mr. Barbato reported that costs of the so-called Chapter 115 caseload constitute the bulk of the budget which include fuel and medical assistance and the costs of burials and flags for Veterans' graves. The city's outlays are reimbursed 75 cents on the dollar by the State, but the reimbursement is for prior year expenses. Meanwhile the city is budgeting for Fiscal Year 2014. He noted in-state travel is for ferrying Veterans to various Veterans' Administration Medical Centers (each with its own purpose). The caseload for Veterans' Services in the city hovers around 50. If a Veteran can be employed, he will assist them to work towards employment. Veteran's skill sets are at times not easily transferable and vocational rehabilitation is a good pathway, he noted. **Mr. Barbato** pointed out that many older veterans are unable to work due to age or disability. The budget includes modest funding for maintenance of squares and memorials for the City (Contribution and Public Relations) named for City Veterans. The signage, he said, generally is not in good shape. There are eight squares named for fallen Viet Nam service people, one named for the American Legion (at the Joan of Arc statue), and 15 for fallen soldiers of the First World War. He also noted memorials are in a rough condition throughout the City.

Line 53410 – Telephone Service (\$1,500): This is cell phone service is for the Veteran's Agent.
Line 57890 – Contributions-Public Relations (\$6,000): **Councilor Cox** suggested that the budget be increased to provide replacement signage. **Mr. Duggan** said that Mr. Barbato ascertained the price to do all new signs that will be weather resistant will be \$10,000 to \$15,000. He said he would like to review this in the fall with the potential for Free Cash to fund the rest of it. **Councilor Cox** said it was a start. She also said she would like to see a line item for ceremonies conducted in the City and there is cost involved. **Mr. Duggan** said the veterans organizations are very supportive of underwriting ceremonies. **Mr. Barbato** said that AMVETS and VFW in particular are helpful in civic support.

Councilor Ciolino asked the Administration think about adding a line item specifically for ceremonies. **Mr. Duggan** responded the administration hopes to consider beautifying the squares in absorbing the costs for improvements throughout the City.

Councilor Ciolino asked about a wish list for the department. **Mr. Barbato** said the department is doing well and is pursuing grants for funding. **Councilor Cox** said in future she wished to see more money for travel as well in the budget.

Councilor Cox asked why the Veterans' Services is located at its Emerson Avenue location. **Councilor Ciolino** said there is a privacy issue for veterans which is paramount. **Mr. Barbato** agreed that the need to privacy for veterans when being assisted by him and his assistant, and the need for records security which make a separate location desirable.

Councilor McGeary noted that the Veterans' Department budget, while it is up 13 percent over FY13's budget, is only a two percent increase over actual expenditures for FY14 which he said is in keeping with **Mr. Barbato** running a very tight ship.

REVISITS: Department 543, Line 57890 Contributions-Public Relations (\$2,000 – Memorials & Square Maintenance), Page 100.

Personnel	\$ 97,294
Ordinary	<u>\$260,889</u>
TOTAL	\$358,183

Department 181 – Community Development – Pages 29-30

Presenting the Community Development Department Budget was **Tom Daniel**, Community Development Director as follows:

Line 51000 – Personal Services: (\$66,393): This line item includes the Conservation Agent and Assistant Conservation Agent's salaries which are reimbursed by Conservation fees but have to be budgeted in the General Fund. The Assistant Conservation Agent is a new position. The Conservation Agent has resigned and that job will need to be filled as well.

Line 51100 – Salaries/Wages-Full Time (\$337,912): There was a planned rollout of positions, to be filled over a period of time. But due to budget constraints only one of the created positions in the department's reorganization voted by the Council last year will be funded for FY14, that of Senior Planner (\$56,327). That position will start June 3 or June 10, 2013. It was part of the reorganization last year. This is an increase to the overall personnel costs. This position will work with the Planning Director and the Planning Board and will broaden the Planners' reach and help with project management.

Councilor Ciolino spoke of people hired on grants and then the grant money goes away; and suddenly these folks are now being paid out of the General Fund. He noted he had asked Mr. Daniel to explore that. **Mr. Daniel** noted the Senior Project Manager who manages the Get Fit Gloucester! grant is funded 20 percent out of the General Fund (benefits). The remaining 80 percent of this Senior Project Manager's pay through grant funding. The Administration is looking to have this project manager take over the administration of the Brownfields Revolving Fund and that would then pay additional compensation for the Senior Project Manager out of that grant. The Harbor Planning Director's position is funded half by grant and half by the General Fund, in the expectation that the General Fund portion will be defrayed by a grant from the Seaport Advisory Council. The Seaport Advisory Council funds have been lagging and this year's reimbursement is not expected until June 2013. The Seaport Bond Council will be meeting for the first time in the calendar year in May. The funds will then have to be spent in by the end of FY13. Looking to FY14 funding, the expectation is the vote by the Seaport Bond Council will take place in FY13 for FY14, and it could be hoped to hit the City's books in July. Being prudent, given that the vote might not take place in time, it is why the position is funded 50 percent from the General Fund for budgetary purposes **Mr. Duggan** concurred with Mr. Daniel's description of the issue.

Line 51400 – Sal/Wage-Longevity (\$2,200): Longevity was discussed with the CAO.

Councilor Hardy said when the Community Development Department reorganization was approved, councilors asked repeatedly whether the newly created Harbor Planning Director position would be 100 percent grant funded; and the Council was repeatedly told by the Administration that it would be. She pointed out that in the proposed budget the position is not 100 percent grant funded. There is a likelihood that the grant funding 50 percent of the position will not be voted in FY14, she said. She said the policy on the City side is that when the grant money goes away the position goes away and that policy was critical in her decision to vote for the reorganization. She pointed out this is not the only position where the grant money is shifting, she said. Personnel action forms show money is coming out of old grants, not just the general fund, she noted. She said she cannot tell the School Department not to rehire a person again and pay them out of its General Fund if the grant money disappears, if the City side does the opposite. **Mr. Duggan** said he could not speak to the School Department issue. With regard to Community Development in particular, he said he presented the reorganization noting a history of consistent Seaport Advisory Funds for a harbor planning position the City relied upon and looked at the Economic Development Grant to carry this position forward. The Administration, he said, feels the position is important. He said Mr. Daniel can attest that the position is important and can speak to its importance. Funding for city positions is reviewed on a case-by-case basis, he said. It is the Administration's responsibility to review each position. If a position is viewed to not be of value to the City, the Administration will eliminate or reduce the position. **Councilor Hardy** reiterated she asked during the reorganization that this position was 100 percent grant-funded, which **Mr. Duggan** confirmed that he said at the time. She said she might have argued that there could have been positions the City could have lived without within this department. **Mr. Duggan** said if he was asked what it was looking like going forward, he could only rely on past practice but could not guarantee it. It was the understanding by the Administration that this funding would be renewed in a timely manner and said he had no idea why the Seaport Bond Council had delayed its funding. **Councilor Hardy** said that indicated to her that the Seaport Bond Council would not be supporting this funding. **Mr. Duggan** said he has asked Mr. Daniel to be prepared to put forwarded the paperwork to transfer the grant money immediately upon receipt. **Councilor Hardy** suggested perhaps there were other positions that needed to have their funding reviewed.

Councilor Ciolino asked about the deliverables and accomplishments coming from the Harbor Planning Director's office. He said he would need proof this job needed to be in place and was a necessity. **Mr. Duggan** pointed out that the Harbor Planning Director's position is not a high-profile position. There are times that this person is front and center when there are harbor planning activities going on and when there is a summit, which that person put on singlehandedly in recent months. The results are not overnight but are part of a process, he said.

Councilor Ciolino noted the bump in salaries in Community Development and asked what the \$120,000 increase will mean. **Mr. Duggan** said the Community Development Director was funded for a half year at mid-level. The Economic Director's position was partially funded at mid-level from April to June 30, and that position will not be filled in FY14. There may not have been longevities built into that budget for those half-year estimates at mid-level and was now showing in FY14. He also pointed to dues and communications advances needed in support of the Community Development Director accounting for his being a Certified Planner. Now all of the Senior Planners are accounted for in this budget as is the Harbor Planning Director. **Mr. Duggan** noted that when Mr. Daniel came on board he suggested a Senior Planner was necessary for support to the Planning Director and was more needful than the position of Economic Development Director which accounts for the shift in position emphasis for FY14.

Councilor Ciolino said there needs to be a line drawn with people hired on grants when the funding goes away and shifting them to the General Fund. **Mr. Duggan** reiterated it review of positions is done on a case-by-case basis. If there is a tremendous value in a position, and then it is a position which will be kept.

Councilor McGeary said as to the Harbor Planning Director he was inclined to approve the funding. If the funding falls through, FY15 funding for the position would come under heavy scrutiny, he said. The Committee will be looking at results and at the position. The assumption was it would be fully funded by grants, he noted. **Mr. Duggan** pointed the Seaport Bond Council is under the State's General Fund, and as such is dependent on the legislature's vote on the budget.

The Committee recessed at 6:40 p.m. and reconvened at 6:44 p.m.

Line 51400 – Sal/Wage-Longevity (\$2,200): Longevity was discussed with the CAO.

Line 52000 - Contracted Services (\$10,000): **Mr. Daniel** said this line item is to fund a mini master plan for the downtown area. A consultant will conduct a series of community workshops to talk about the downtown, with a focus on the core, civic and retail center to get a snapshot of people's visions of the downtown with three meetings and focus groups. This will include a design of the downtown to strengthen connections, to see good quality design in the environment. It will build upon the Harbor Town Cultural District discussions, as well as take into account a new public safety facility and will look at what people want to see the current police and fire department buildings repurposed for. This funding would not only support a consultant, but also graphics work which is beyond what his department is capable of. This, **Mr. Daniel** said, is to build upon the Gilham and Gander study done in 1995, which **Councilor Ciolino** had mentioned, saying nothing had been done with that report.

Councilor Cox asked about Lanesville and Magnolia. She said nothing is being done for their business centers. Magnolia, she noted, is trying to revitalize their retail area. The focus seems, she said, to be constantly on the downtown. **Mr. Daniel** said there had been an informal dialog regarding Magnolia's retail center. **Councilor Cox** asked that **Mr. Daniel** contact the merchants and suggested there had been a disconnect in communication. **Mr. Daniel** said a formal process for these two areas is not in the department's plans for FY14. The downtown plan is not a comprehensive master plan process that will be undertaken, he said, but will give the department the guts of a master plan from which it can move forward with actionable items towards a master plan. **Councilor Cox** encouraged **Mr. Daniel** to invite Lanesville and Magnolia merchants to these meetings so that they can explore what they may wish to do or may want to plan for the community meetings.

Line 52620 – Office Equipment Maintenance (\$870): This was noted to be staying with this department because it has its own service agreement.

Councilor McGeary noted there have been a number of findings by the outside auditors as to the handling of grants in this department. **Mr. Daniel** said the findings were a concern of his. He said there are some straightforward procedural things he can have his department can do. He discussed several of the options his department is pursuing to alleviate the situation with the Committee. He said at this point he has a good understanding of the issues, and said he feels the department is in good shape. Ideally he would like to have another grants compliance person at the City level or someone within the department which would be a great resource. The department does have the staff to do what needs to be done, he said. **Councilor McGeary** said **Mr. Daniel** will communicate to his staff what needs to be done which **Mr. Daniel** concurred with.

Kenny Costa, City Auditor, added there were some findings on the Community Development Block Grants and on the Environmental Protection Agency Brownfield grants. Some of the findings have been repeated over several years. He said he has spoken in Project Manager Stephen Winslow's office and is continuing outreach to other departments as well. Part of the solution is simply understanding the audit findings, he said; the next step is to correct the issues to reduce or eliminate findings by the outside auditors. Thirty findings this year on grants City-wide is a lot, he pointed out. He noted his biggest concern is 'questioned costs' (about \$300,000) which he said is a tremendous liability if the City should have to pay

back grant funds to the grantors because of these repeated findings. He said a Grants Compliance Manager will help this situation City-wide.

REVISIT: DEPARTMENT 181, LINE 51100 – SALARIES/WAGES-FULL TIME (\$337,912) specifically the Harbor Planning Director salary, PAGE 29

Personnel	\$406,305
Ordinary	\$ 29,638
TOTAL	\$435,943

Department 135 – Tourist Commission – Page 101

Presenting for the Tourism Commission was CAO, **Jim Duggan** as follows:

Mr. Duggan noted one of the things Mr. Daniel was tasked with upon taking up his position was to evaluate the tourism industry of the City and present a memo to the Mayor to outline his recommendations as to what he sees the City needs to do using his expertise to help the City move forward. He noted there are three letters of interest pending on his desk for open positions available on the Tourism Commission. The Mayor, he said, would like to formulate a strong cohesive group. The Administration wishes to level fund the Tourism Commission for FY14. When the Massachusetts Cultural Council came to the City on two occasions, he said he promised the Cultural Districts (Harbortown and Rocky Neck) would be included in the City's budget. The Committee for the Arts requested a budget increase due to the WPA Mural Restoration as well as continuing interior City Hall beautification.

Mr. Duggan informed the Committee that the Administration placed a 30- second commercial advertising the City as a tourist, historic and cultural destination outside of New England for the New York upstate (Troy Schenectady, Saratoga) and on the Massachusetts border (Pittsfield) with Time/Warner for \$20,000 which ran on CNN, the Weather Channel, USA, History Channel, ESPN, Discovery, AMC, A&E, Fox & Friends (New York station). These ads were run during those stations most popular shows in the evening. He also noted the 15 second radio spots on CBS radio in drive-time which will run from mid-April until June.

Councilor Cox noted the "1-800" number and asked who answers it on and off season. **Mr. Duggan** said the messages are left with the Welcoming Center. In the off season the City tried to partner with the Chamber to respond to those calls. **Councilor Cox** asked about the part-time position which **Mr. Duggan** said the Welcome Center employee has been re-hired for this position for the season. **Councilor Cox** said she has three to four messages on the toll-free number and did not get a return phone call or any packages sent to her in the off season. She encouraged the Administration revisit the response to incoming calls to the toll-free number in the off season.

Line 53500 – Tourism Commission Other Charges & Ex. Marketing/Spec. (\$69,000): **Mr. Duggan** reviewed the new Cultural Council funding along with the Rocky Neck Cultural District and the Gloucester Harbortown Cultural District. **Councilor Cox** suggested there was some duplication of effort with other city boards and commissions. **Mr. Duggan** said the Downtown Development Commission has defined responsibilities in terms of plantings, installation of flags and trash cans. He noted one of the co-chairs on the Harbor Town Cultural District is on the DDC and that should minimize duplication of effort. **Councilor Ciolino** noted there is now going to be a map of the Harbor Town Cultural District. This map was suggested by the Mass. Cultural Council, he said, and that there is value to it. **Councilor Ciolino** said there is signage to be done also and is not an overlap of the DDC. **Mr. Daniel** said coordination between cultural districts is important and will collaborate together regarding grants with the Mass. Cultural Council, as well as leveraging maps already available to the groups. No one, he said, wants redundancy and waste.

Councilor Ciolino asked about funding for maintenance of the Harbor Walk and whether there was there any funding for that the DPW budget. **Mr. Duggan** said if there were no direct funds available from the Harbor Planning grant the City will absorb the maintenance in the DPW budget. **Councilor Ciolino** said perhaps it should be in the Tourism budget, and reiterated there is a need to maintain the plantings and lighting, etc. for the Harbor Walk to be a viable tourist attraction. The flower beds, he said, were a big investment. He asked the Administration to specify a line item going forward to maintain the Harbor Walk in perpetuity. **Mr. Duggan** said the activity is absorbed in the DPW budget. There is not a specific line item for anything like that.

Councilor Ciolino asked about how much the City of Salem invests in tourism. **Mr. Duggan** said it is 25 cents for every dollar. He said it is a one-sided, tourist community. Gloucester is different; it is multi-dimensional. It is the visitor-based economy, the fishing industry and industrial. **Councilor Ciolino** said he felt this budget is shameful when seen in light of the amount of money brought in by parking fees as well as the hotel and motel and meals taxes. **Councilor Cox** pointed

out there is a need to put more qualified people onto the Tourism Commission and that the Commission needs a full count of members to move forward effectively.

Councilor McGeary noted Salem contracted with an outside firm to do outreach. **Mr. Daniel** said it is handled by Destination Salem and is independent of the municipality. It is funded by a portion of hotel/motel tax revenue and by membership. Five years ago there was a \$14,000 budget for advertising, and Salem increased that budget. Grant funding was found to do a marketing plan, sourced through the State. There is increased revenue from local option taxes and is the source of some of the funding but it is also a “pay-to-play” for the advertising. The role of tourism in Salem is significantly different than Gloucester, he said. There are the attractions of the witches and pirates. The Peabody Essex Museum is a different entity and plays, he said, a different role. That city is also looking to promote dining and shopping as well. Gloucester is not a one-off experience, he noted. Gloucester has people coming for their beach trip, be it a day or a week and another thing is the City’s working waterfront. Gloucester has a more layered economic base versus Salem which is wholly based on tourism. **Councilor McGeary** said it sounds wonderful but is a stretch for a \$10,000 welcome center coordinator. He asked if the City should have this model like Salem. **Mr. Daniel** said there are well intended people in the City doing good things but there is no coordination for the efforts. He said he hoped to increase coordination amongst the dedicated groups. There is a sense, he said, of moving forward. The Tourism Commission’s role should be leveraging current cultural districts. The Chamber should be a member. Fundamentally the commission’s role is to make recommendations to the Administration. The ordinance calls for a five-year plan and is the work they should undertake, he said. It should be a group with a strong skill set that understands business, marketing and communications and looks at the City as a whole. Through that plan they make recommendations for funding for implementation. He did not see the need to hire professionals in FY14; and the work of the development of that plan will require outside expertise, he said.

Councilor McGeary said the actuals are \$94,000, but the budget is a 15 percent decline (7:34 p.m.) **Mr. Duggan** said the budget takes into account free cash and transfers. He said it has actually gone up 20 percent.

Hotel/Motel revenue projections according to **Councilor McGeary**’s projection, is coming in over \$1,000,000 versus the \$975,000 currently projected in the budget under revenues, and he suggested that if there was funding that was needed for Tourism, the extra funding should be put towards Department 563.

REVISIT: Department 563, Line 53500 – Other Charges & Exp. Marketing/Spec. (\$69,000), Page 101

Personnel	\$10,000
Ordinary	<u>\$70,500</u>
TOTAL	\$80,500

RECESS: The committee recessed the meeting at 7:42 p.m. until Tuesday, May 16, 2013 at 5:30 p.m., at which time the DPW and Inspectional Services budget will be reviewed in the 1st Fl. Council Conference Room, City Hall.

Respectfully submitted,

Dana C. Jorgensson
Clerk of Committees

DOCUMENTS/ITEMS SUBMITTED AT MEETING: None.

REVISITS:

- **Department 181, Line 51100 – Salary/Wages Full Time (\$337,912) specifically the Harbor Planning Director salary (\$44,258-FTE .5-General Fund), Page 29**
- **Department 543, Line 57890 Contributions-Public Relations (\$6,000) subheading Memorials & Square Maintenance (\$2,000), Page 100.**
- **Department 563, Line 53500 – Other Charges & Exp. Marketing/Spec. (\$69,000), Page 101**

ADJUSTMENTS: None.

REQUESTS FOR INFORMATION: None.

CITY COUNCIL STANDING COMMITTEE
Budget & Finance
 Tuesday, May 16, 2013 – 5:30 p.m.
 1st F. Council Conference Room – City Hall

FY14 BUDGET REVIEW #3 – INSPECTIONAL SERVICES & DPW (All Departments)

Present: Chair, Councilor Paul McGeary; Vice Chair, Councilor Joseph Ciolino; Councilor Melissa Cox
Absent: None.

Also Present: Councilor Hardy; Councilor Theken; Kenny Costa; Jim Duggan; Jeff Towne; Bill Sanborn; Mike Hale; Mark Cole

The meeting reconvened at 5:30 p.m.

Department 241 – Inspectional Services – Tab 1, Pages 64-66

The Inspectional Services budget was presented by **Bill Sanborn**, Inspector of Buildings as follows:

A new position of one additional local building inspector/zoning enforcement officer was asked for in the budget submitted to the Mayor, according to **Mr. Sanborn** but was not included in the FY14 budget (\$52,000). This position has been funded off and on through the years, he said. It was noted by **Mr. Sanborn** that adding the position would generate some revenue for the City, but he said he could not guarantee the extent of the revenue stream or that it would cover that employee’s costs to the City.

Councilor McGeary said last year’s actual working budget was \$364,050 which was noted as slightly up over the budget; but it is now coming in five percent ahead of what the department actually spent, according to the Mayor’s FY14 budget. He asked Mr. Sanborn if his department could be sustained for FY14 on that figure. **Mr. Sanborn** said this was reasonable as his department doesn’t have a great deal of overhead. Some contracts for payroll have been settled, he pointed out. **Councilor McGeary** noted the Mayor’s bottom line on Personnel includes a two percent increase, or whatever was negotiated. **Mr. Towne** noted the buyback was something that was settled after the fact.

Line 51100 – Salaries/Wages-Full Time (\$312,145): Step increases and grade were confirmed, and payroll is done for his department.

Line 51400– Salary/Wage-Longevity - (\$4,029): **Councilor Hardy** noted for the position of Principal Clerk, longevity is \$500, but all other staff is shown at the old longevity rate. **Mr. Towne** said the Principal Clerk reflects the new AFSCME agreement. The other longevity figures reflect the old rates. **Mr. Towne** said he would check on the \$500 longevity rate for the Committee.

Line 57300 – Dues & Memberships: **Councilor Cox** asked that this line have dues broken out into its various categories.

Mr. Sanborn noted revenues are on track. The budgeted figure for building permit revenue was \$839,000, and to date revenue is \$810,000. The annual inspections are also very consistent, he said. The year has been steady in terms of building permits being pulled with June being the busiest month, and **Mr. Sanborn** said he is projecting \$799,000 in total revenue for FY 2013. The wind turbines came on the previous year. The Magnolia Kennedy Road project is underway and permits will start to be pulled, he noted. But for this fiscal year there are no other large projects in the works that will pull permits, he said. **Councilor McGeary** said revenues should be revisited as they are projected at \$799,000 and that figure is already this year to date at \$810,000.

- **Revisit: Dept. 241, Line 51100 – \$52,000 for possible local inspector position, Page 64**
- **Revisit: Tab 1, Dept. 152, Page 17 if inspector is added.**
- **Revisit: Dept. 241, Total Revenues under Tab 1, Page 16**
- **Information Requested: Line 51400– Salary/Wage-Longevity - (\$4,029) to reconfirm longevity rate for Principal Clerk versus rest of staff at old longevity rate, Page 64**

Personnel	\$ 360,937
Ordinary	\$ 14,975
Capital Expenses	<u>\$ 0</u>

Total **\$ 375,912**

Tab 1, Pages 75 through 93 – The DPW Budget was reviewed by **Michael Hale**, DPW Director as follows:

Department 403 – Solid Waste Disposal – Pages 72-73

Line 52000 – Contractual Services (\$8,000) – This line item reflects costs for disposal of propane tanks and tires for special collections and other similar services provided over the course of the year.

Line 53720 – Household Hazardous Waste (\$9,500): This line item is for large household items removal such as computer monitors.

Line 54000 – Supplies (\$6,000): This is for “Big Belly Recycling/Trash units at \$3,000 apiece. **Councilor Cox** inquired if the DPW could purchase these units for Burnham’s Field as the group rehabbing Burnham’s Field was quoted \$6,000 for one unit. **Mr. Cole** said a combination unit is more expensive and suggested this may be why the unit was quoted at \$6,000.

Line 53960 - Rubbish Collection-Center (\$1,458,025): **Mr. Hale** indicated the contract with Hiltz expires in one year. He noted tipping fees have gone down considerably with the advent of weekly recycling.

NOTE: Per the Recycling Coordinator’s previously submitted information, by comparison, FY12 tipping fee was \$73 per ton; FY13 was \$75 per ton, and FY14 tipping fee will be \$77 per ton. Based on tonnage to date, it is projected that total tonnage for FY13 will be approximately 6,800 tons.

Councilor McGeary asked about non-profits gaining City services for garbage and recycling pick up. **Mr. Duggan** said the Administration did not intend to discuss this matter. **Councilor McGeary** asked how much trash the churches would be expected to generate. **Mr. Hale** said that matter would be revisited when the current contract trash and recycling hauling contract is up. The non-profits, he said, are more difficult to define and estimate as are small businesses, he said.

Councilor Cox asked if there was any thought about the City obtaining recycling receptacles with lids for distribution to the public. **Mr. Hale** said an individual can purchase a receptacle with a lid and put a recycling sticker available for free at the DPW. **Councilor Ciolino** asked if the DPW could encourage folks to use trash barrels rather than bins for recycling. **Mr. Hale** said when folks come in for the bins they do offer the stickers and suggest that a lidded trash barrel is a good receptacle. The stickers are on the front counter at the DPW and at special collection days. He pointed out that the Recycling Coordinator publishes an article in the local paper annually to discuss the trash and recycling options available to the community. **Councilor McGeary** spoke about larger containers with **Mr. Hale** and it was noted urban areas make the use of larger receptacles difficult and in some cases impossible. **Mr. Hale** noted the 55 gallon totes cost substantially more to purchase.

Personnel	\$ 60,322
Ordinary	\$1,625,025
TOTAL	\$1,685,347

Department 411 – Engineering – Pages 74-75:

This department was noted to be level funded, **Councilor McGeary** noted.

Line 52620 – Office Equipment Maintenance (\$3,000): There is a reduction in this line item.

Line 52000 – GIS Printing (\$9,875): This is an external charge. **Mr. Hale** said big maps are needed for City presentations and events. There is some capability internally for printing the maps out, but the larger maps are sent for printing. The second piece in this line item is for large color prints and scanning which **Mr. Hale** noted more and more items are being scanned.

Line 51920 – Sick Leave/Buyback (\$127): It was noted the City Engineer is not included in this line item as he hasn’t been with the City long enough to accrue sick leave/buyback to date.

Line 57300 – Dues & Membership (\$0): This line item has been moved to Dept. 421 (see below).

Personnel	\$ 47,001
Ordinary	\$ 14,850
TOTAL	\$ 61,851

Department 421 – DPW-Highway Administration – Page 76-77

Line 53004 - Employee Training Seminars (\$1,500): There was no funding for this line item last year. This used to be paid out of contract services. **Mr. Costa** noted it really should be within this line item for transparency.

Line 57300 – Dues & Membership (\$1,495): This line contains the dues and memberships for the Engineering Department. Those listed were noted to be all professional organizations.

Line 57200 – Out-of-State Travel (\$2,500): **Mr. Hale** said the purpose of this line item is to pay costs should he or Mr. Cole leave the State.

Councilor Theken entered the meeting at 6:12 p.m. There was now a quorum of the City Council.

Personnel	\$ 96,952
Ordinary	\$ 10,495
TOTAL	\$ 107,447

Department 423 – Snow and Ice Removal – Pages 78-79

Councilor McGeary noted this department is level funded. **Mr. Towne** said the current plan to make up the deficit to fund a portion out of the personnel insurance line; and perhaps some may come from electricity and some may come from the State. He is relying on the reimbursement from the State but if it doesn't come through he will have to look to a Stabilization Fund at the end of the year. The dollar amount is now just under \$600,000. There was a discussion of the federal/state reimbursement program. **Mr. Hale** said the City's documentation has been well done and will be of great help in pursuit of the reimbursement funds.

Personnel	\$ 141,500
Ordinary	\$ 473,500
Capital Expenses	\$ 35,000
TOTAL	\$ 650,000

Department 470 – Public Property Maint – Pages 80-84

Line 51100 – Salaries/Wages – Full Time (\$790,877): **Mr. Towne** said two positions should be in Dept. 470 and need to be removed from 472 which totals in Line 511000. As a result, \$79,500 less will be budgeted in salary and wages for Dept. 472 and added to the same line for Dept. 470. **Mr. Towne** was asked to submit substitute budget sheets for those departments. **Mr. Hale** stated that the department is looking to hire a machine operator and laborer. This department has had people assimilated into the facilities division and the department's head count is down nine employees. **Councilor Cox** noted that within Line 51100 there were two amounts without a personnel description. He noted these amounts were to pay for differential for people working out of classification. **Mr. Hale** said the department asked for four total positions including a manager. Custodians may be mowing lawns on weekends because the department is so short staffed.

Line 52000 – Contracted Services (\$128,700): A portion of this line item, Small Paving \$30,000, was discussed between **Councilor Cox** and **Mr. Hale** concerning the possible installation of two new paved ADA parking spaces in the parking lot at Burnham's Field. **Mr. Hale** estimated the cost at about \$40,000. **Councilor Ciolino** noted there was \$5,000 for crosswalk painting. **Mr. Hale** said this is for centerlines and intersection crosswalks. He also noted that there is only one staff member available to do this work, down from three in other years. He said it is a significant dollar amount to paint the entire City's centerlines and crosswalks. When any paving project is done, the goal is to repaint all the crosswalks and centerlines and do with thermal paint if it can be afforded. All Chapter 90 work is thermal. There is not enough time or money to do painting which must be done two to three times a year, he pointed out, because the paint fades.

Line 52181 – Downtown Improvements (\$20,000): This money is earmarked for the Downtown Development Commission.

Line 52420 – Grounds Maintenance Contract (\$24,500): This is for the maintenance of 26 City fields.

Line 54000 – Supplies (\$14,400): This was noted to be for automated external defibrillators. **Mr. Cole** said there will be three distributed at the DPW yard.

Line 58410 – Land (\$50,000): **Councilor Ciolino** asked about funding for improvements for public facilities at Wingersheek Beach. **Mr. Cole** said the concentration in FY14 is renewal of the restrooms at Stage Fort Park. Wingersheek and Good Harbor Beaches both have new bathroom facilities. **Councilor Ciolino** noted this line item

has not increased in some time, and said it was time to consider using beach revenues to increase this line item to upgrade the beach amenities.

REVISIT: DEPT. 470, LINE 51100 (\$790,877), PAGE 80

DEPT. 152 PERSONNEL, PAGE 17 to reflect changes benefits occasioned by changes in line 51100

DEPT. 470, LINE 52000 (\$128,700), PAGE 82

DEPT. 470, LINE 52420 (\$24,500), PAGE 82

DEPT. 470, LINE 48410 (\$50,000), PAGE 84

Personnel	\$1,218,088
Ordinary	\$ 271,750
Capital Expense	\$ 59,895
TOTAL	\$1,549,733

Councilor McGeary noted that the final adjusted total for this department is \$1,549,733.

Department 472 – Public Property Maintenance - Schools – Pages 85-89

Michael Hale, DPW Director indicated that this department includes all facilities, not just schools.

Line 51100 – Salaries/Wages – Full Time (\$1,453,200): There are now two fewer personnel that show up in this line item. The headcount, **Mr. Hale** is the most robust it has been since the School Department Memorandum of Understanding was instituted three years ago. He noted the Police Department cleaning service has been outsourced which has worked well for that department to date. In the Public Property Maintenance Department there is a facilities manger, a clerk, five tradesmen, and five maintenance persons. **Mr. Hale** said there is a custodial supervisor who meets with the principals every day and cleans when he is needed as well.

Mr. Towne said one junior custodian that has moved to senior custodian status. **Mr. Hale** said he believed the schools are fairly satisfied. There is new staff at the high school with a new head custodian which seems to be working well. The high school principal is satisfied. The custodians all report daily to the principals. There is a more intense cleaning in the summer of the schools and send in a team comprised of all the junior custodians.

Line 51400 – Sal/Wage-Longevity (\$21,650): **Councilor Hardy** noted that the first entry under Longevity as FTE 0.00 for \$4,350 has no personnel definition. **Mr. Towne** said this is where the money was put aside for budgeting purposes so that when the contract settled there was enough money there. This money will be distributed for AFSCME A, he said.

Line 51990 – In-Service Training (\$20,000): **Mr. Hale** noted the City electrician is also the Energy Conservation Technician for the City, and goes to trainings annually which has been extremely helpful and allowed the City, in the end, to save money.

Councilor McGeary said there is capital and heavy maintenance which falls within this department. **Mr. Hale** said this department is for routine and general maintenance of the City's buildings. For the schools in particular, but most City buildings, it is not just a matter of routine maintenance, but a lot of deferred maintenance. Some of the capital projects, such as electrical upgrades, should have been done as regular maintenance but were not, he noted.

Councilor McGeary said the Capital Improvements Advisory Board has a five year capital plan which the Mayor has also. **Mr. Towne** said there will be some capital projects coming forward which will be financed by long-term debt. He said he will show that process to the B&F Committee. Short-term borrowing will be done to get the City to 2016. Smaller debt amounts come off each year and then things like fire trucks come up for bonding. There is plenty of loan capacity, he noted, but it is against Proposition 2-1/2 unless there is debt exclusion. **Mr. Towne** said he would want to focus Free Cash into developing a capital budget to pay for more things like ambulances, fire trucks, and other vehicles in cash versus paying for these items with debt. It is the only way the City, he said, could turn the debt piece around.

Councilor Hardy asked about the repair of the public stairs at the Police Department and discussed with **Mr. Towne** the possibility of using drug seizure money to make the repairs. **Mr. Hale** said one thought is to take the steps out completely and landscape the area. He said since the long-term plans for that building at in question, he suggested tearing out the stairway would be a better option. **Councilor Hardy** asked about the leaks at the American Legion building. **Mr. Hale** said that the roof is being addressed. **Councilor Cox** confirmed with **Mr.**

Duggan that the American Legion building is rented for \$1 annually and the DPW maintains the building. It was noted the lease is up for renewal and will be considered at P&D the following week.

Line 52410 – Machine Tools (\$350,000): **Mr. Towne** said the categories listed within this line item were allocated at Mr. Hale’s discretion. **Mr. Hale** noted that the HVAC system for O’Maley is in the capital program which was discussed with the Committee.

Councilor McGeary asked in Mr. Hale’s professional opinion if the building was emptied from a maintenance perspective what would he like to see. **Mr. Hale** said the decision for occupancy is unclear. He said the Fuller School is a difficult maintenance situation. He didn’t know where he would put his people currently housed there. If the school is abandoned, there is little sense for his personnel to remain there, he pointed out. The DPW has 12,000 square feet, used mostly for storage which is short supply around the City. The facilities manager, a clerk and tradesmen are housed in that portion of Fuller. If the school needs to be closed up, it will have to be done well to prevent vandalism and other such issues, and he noted also that the fire alarms will have to be maintained.

Councilor McGeary said that with the changes just discussed, this department’s total is \$4,329,179 which is \$36,892 less than budgeted last year, and \$379,032 less than was spent year to date in FY13 which includes some Free Cash allocations, which is eight percent less, and five percent less than the request.

REVISIT: DEPT. 472, LINE 51100 (\$1,453,200) (Junior to Senior Custodian and two new hires transferred out), PAGE 85

Personnel	\$1,654,429
Ordinary	\$2,674,750
TOTAL	\$4,329,179

Department 499 – DPW-Other – Pages 91-93

Mr. Hale noted that the personnel listed in this department serve the DPW as a whole.

Line 58700 – Capital Expense-Replacement Equipment (\$0): The line was for a department request for vehicles and equipment at \$250,000, but was not funded in the proposed FY14 budget. **Mr. Towne** noted purchases such as this would be under the City’s capital program and not through this line item. Ultimately, he said, the financing would be through a loan process and Free Cash.

Councilor McGeary noted this department’s total was \$1,024,933 which is 21 percent less than the department request; one percent more than FY13 budget and two percent less than the actual spent so far in FY13. **Mr. Towne** noted the reason for that two percent less than the actual spent to date was one person was allocated out in 25 percent portions to different DPW departments.

Personnel	\$ 134,083
Ordinary	\$ 890,850
Capital Expenses	\$ 0
TOTAL	\$1,024,933

A motion was made, seconded and voted unanimously to RECESS the meeting at 7:52 p.m. until Tuesday, May 21, 2013 at 6:30 p.m., at which time the Budget of the City Clerk, Registrar and the Police Department will be reviewed in the 1st Fl. Council Committee Room, City Hall.

Respectfully submitted,

Dana C. Jorgensson
Clerk of Committees

REVISITS:

Inspectional Services, Dept. 241

- Page 64, Department 241, Line 51100 – \$52,000 to fund possible local building inspector position.

- Page 17, Department 152, Personnel (in conjunction with Dept. 241-Line 51100)
- Page 16, Tab 1, Dept. 241 Total Departmental Revenues
DPW, Dept. 470 &472
- Page 80, Department 470, Line 51100 (\$790,877)
- Page 17, Department 152, Personnel (in conjunction with Dept. 470-Line 51100)
- Page 82, Department 470, Line 52000 (\$128,700)
- Page 82, Department 470, Line 52420 (\$24,500)
- Page 84, Department 470, Line 58410 (\$50,000) Land
- Page 85, Department 472, Line 51100 (\$1,453,200) for Junior to Senior Custodian & two new hires transferred out of this department
- Page 17, Department 152, Personnel (in conjunction with Dept. 472-Line 51100)

ADJUSTMENTS: None.

REQUESTS FOR INFORMATION: None.

DRAFT

CITY COUNCIL STANDING COMMITTEE

Budget & Finance

Monday, May 21, 2013 – 6:30 p.m.

City Council Conference Room – City Hall

FY13 BUDGET REVIEW #4 – CITY COUNCIL; CLERK; REGISTRAR; POLICE

Present: Chair, Councilor Paul McGeary; Vice Chair, Councilor Joseph Ciolino; Councilor Melissa Cox**Absent: None.****Also Present: Kenny Costa; Jim Duggan; Linda T. Lowe; Police Chief Leonard Campanello****Guest of the Committee: Former City Councilor Christine Rasmussen****The meeting reconvened at 6:30 p.m.****Department 111 – City Council – Page 1****No Revisits or Adjustments.**

Personnel	\$	96,750
Ordinary	\$	900
TOTAL	\$	97,650

Department 161 – City Clerk - Page 23

Tab 2, Page 23-24 and Page 25-26 – The City Council, City Clerk and Registration Departments were presented by **Linda T. Lowe**, City Clerk as follows:

Line 51100 – Salary/Wage-Full Time (\$228,278): **Ms. Lowe** said the salary figures given in the proposed budget were not incorrect, but did not reflect a proposed reorganization of her department currently pending before the Council. During preliminary budget reviews there were discussions with the Administration regarding the on-going reorganization of the City Clerk's Department which should be completed in the next several months and voted on by the City Council. She said it was agreed that it made sense to anticipate those salary/wage increases in the FY14 budget which were. **Mr. Towne** noted the \$52,650 included the position of Registrar, and said that it would be about \$9,000 less, and that needs to be determined how that should be dealt with. He said that at Council President Hardy's request, the budget was to be presented as is and that the money will be found from the bottom line to put into this category. **Mr. Towne** said the Council President asked the funds be removed through Mr. Duggan because she told him she didn't wish to be presumptuous until such a vote was taken by the Council for the approval of the reorganization. **Mr. Towne** pointed out the money to fund the reorganization was in the budget in a reserved for appropriation account (Dept. 900). As a point of information the City Clerk gave the Committee the projected impact of the changes in wages for her department should the reorganization pass the bottom line figure noted in a memo which applies to the City Clerk Department (Dept. 161 and to the position of Registrar in Dept. 163).

Line 51250 – Salary/Wage-Part time Position (\$12,427): This position was noted as 30 hours bi-weekly. The hourly rate was also noted as correct also.

An additional part-time position is in the reorganization, **Ms. Lowe** noted; and is not a new position but a restoration of a position that was cut two years ago. **Ms. Lowe** said this person, hired for a small amount of money, would be able to assist the office as a back up person and also assist in converting records to laser fiche which other City departments are already utilizing. She pointed out this new technology would make a tremendous improvement in her department's ability to track and pull forward information for municipal use and for the public and streamline records retrieval. **Councilor McGeary** asked whether the Administration as committed to funding the reorganization should it pass. **Mr. Duggan** said it was a correct statement. If the reorganization includes this additional position, which was part of the priority of the wish list from Ms. Lowe, it is a separate issue, **Mr. Duggan** said. **Ms. Lowe** confirmed it was separate.

Line 51200 – Salary/Wage-Temporary Position (\$3,000): **Ms. Lowe** said the department is willing to take a further \$500 cut because over the last two years this account has not been fully expended each year.

Line 5500 – Additional Equipment (\$300): **Ms. Lowe** noted this line item had been originally shown to be \$2,500, but it was cut to \$300. The Council President, she said, had advised the department to put in a new laptop computer for the Clerk of Committees which the IT Director informed her it would be \$2,200. There was also discussion of

whether that should be an IT expense. **Mr. Duggan** confirmed the cost of a laptop was taken out in its entirety because the current laptop could be refurbished.

Revisit: Dept. 161, Line 51100 (\$228,278), Page 23 (difference between FY14 and pending reorganization)
Revisit: Tab 1, Dept. 152 Personnel (Health Insurance/Medicare), Page 17, to evaluate the impact on benefits of changes in Dept. 161, Line 51100

Revisit: Dept. 161, Line 51200 (\$3,000), Page 23 (\$500 cut)

Revisit: Dept. 161, Line 51250 (\$12,427), Page 23

Revisit: Dept. 161, Line 58500 – Additional Equipment (\$300), Page 24 (laptop computer with Zoom H2 Recording System)

Personnel	\$	247,455
Ordinary	\$	2,500
Capital Expenses	\$	300
TOTAL	\$	250,255

[**Note: Mr. Towne** said the money for the City Clerk Department's reorganization was moved to Department 900, for a total of \$10,041 (subject to reconfirmation on the total figure) on Page 108 (Reserved for Department Reorganization, Line 52000-Contracted Services)]

Department 163 – Registration - Page 25-26

Ms. Lowe addressed the Registration Budget.

Line 51200 – Salary/Wage-Temporary Position (\$1,600): **Ms. Lowe** noted this line item was cut. This line item pays for school custodians and DPW workers who are needed for elections which is dependent on the number of elections in a particular year. She said this department needs to know does Dept. 163 pay the overtime directly for the custodians or does the DPW, she asked. The request was for \$2,400, she noted. The budget also allowed, she said, for at least one police officer. By law there has to be a "constable" in each polling place. For sometime there hasn't been a police officer at each polling place because of the cost. There are nine polling places, and to employ nine officers would be very expensive. She noted the Chief and she agreed to try to have one officer who would rotate amongst the nine. **Ms. Lowe** said there can't be nine officers for 13 hours, unless the City allocates the funds which would be considerable for a 13 hour day. She noted the State Election experts have said that it is left up to the municipality to interpret. **Police Chief Campanello, Ms. Lowe** and the Committee discussed the use of police officers at the polling places. **Chief Campanello** said he agreed the cost of nine officers on duty during an election is high, but he respectfully disagreed with **Ms. Lowe's** stand of the need for just one officer acting as the City's constable.

Councilor McGeary requested a ruling by the City Solicitor regarding whether "constables" at each polling place must be police officers.

Line 53401 – Telephone (\$100): **Ms. Lowe** said that this line item is for phones for the polling place poll workers. She explained Sprint has a new municipal program to provide phones to Clerk's offices specifically for elections which was tried for the Special Senate Primary. Every precinct had a dedicated cell phone so that poll workers can call City Hall and the Clerk's office staff can call the polling places. Each staff member has a phone. It will cost for all the elections \$100 per year and the City is only charged for the days the phones are turned on.

Line 54220 - Printed forms Not Computer (\$9,700): **Ms. Lowe** noted \$4,000 was cut; the original request was \$13,700. **Mr. Towne** pointed out that the \$4,000 cut from this line is being held in Department 900 on two different line items. He said if this money is not used, it would be put back into Personnel for other benefits needs.

Ms. Lowe submitted a memo from the Assistant Registrar regarding the cost of the census contract. She said the department is in the process finding a new vendor for this specialized work. Preliminary results show it will cost the department more going forward, she said, and creates a difference of about \$1,500 in added costs. What is currently budgeted, **Ms. Lowe** said, is inadequate for the next census.

Revisit: Dept. 163, Line 51200 – Salary/Wage-Temporary Positions (\$1,600), Page 25

Revisit: Dept. 163, Line 52000 Contracted Services (\$26,550), Page 25

Revisit: Dept. 163, Line 54220 - Printed forms Not Computer (\$9,700) specifically the cost of the census, Page 26

Request for Information: Ruling from the City Solicitor regarding constables and must it be a police officer present at polling places on an election day to fulfill that role.

Personnel	\$ 44,911
Ordinary	\$ 37,900
TOTAL	\$ 82,811

Tab 2, Pages 28 through 45, Tab 2 – The Police Department budget was reviewed by **Chief Leonard Campanello** as follows:

Department 210 – Police-Administration – Pages 31-33

Former City Councilor Christine Rasmussen spoke in support of the Police Budget saying that she is involved in NAMI (National Alliance of Mental Illness), and that the Chief is very supportive of this specialized population of the City. The Chief, she said, understands there are special ways to deescalate situations which involve people who have mental health issues. **Ms. Rasmussen** added the City is fortunate to have a Chief who cares as he does for all the citizens of this community.

Chief Campanello thanked Ms. Rasmussen for her remarks and said this budget is very tight with no waste. In FY13, the Police Department presented a \$6.1 million budget which was cut to \$5.1 million and then in the middle of FY13 it was reallocated to \$5.46 million as a result of contract reopeners and some stipulations with the Patrolmen's and Superior Officers unions. His starting point for FY14, he said, was \$5.46 million. Two police contracts were settled in 31 days over six meetings, he noted. From the starting point of \$5.46 million for FY14, he noted it is \$340,000 more than the starting point of FY13 and having incorporating both new contracts. **Chief Campanello** said this also represents a figure that is \$300,000 less than the department budget request for FY13 and less than the allocated budget from FY12 to FY13 by \$300,000. The Patrol and Superior officer's union's cooperation to move forward on their contracts allowed for this nominal increase, he said.

Line 51100 – Salaries/Wages-Full Time (\$243,156): This includes the Chief, financial coordinator, and two senior clerks' salaries. His base salary does not increase in FY14, he said. While it is contracted that his salary would increase for FY14, he said he agreed not to increase his salary as he did not think it was right to increase it based on the fact he had been in his position less than a year. The \$2,000 could be better used elsewhere, he said. He is also foregoing the step increase in grade to his base salary, to which he is entitled.

51170 Police-Uniform Personal Services, Temporary Upgrade (\$1,500): This is for the extra pay for the Lieutenant when he stands in for the Chief in his absence.

Line 51400 – Longevity (\$2,600): It was noted the longevity benefit is included for the Chief and the senior clerk and is contractual based on number of years of service.

Line 51450 – Personal Service-Holiday Pay (\$6,369): This is a part of the Chief's contract in addition to his base salary, and reflects the Superior Officer's contract. This was increased based on the fact he was here for a full year.

Line 51920 – Personal Services Sick Leave Buy-Back (\$28,887): This was noted to have gone up as a result of the new contract and represents an increase from the FY13 budget. The Chief said he expects to offset by saving in overtime costs.

Councilor McGeary noted that even though the rank and file agreed to a two percent increase, the actual total increase in personnel cost is seven percent figuring in longevity, sick-leave buy back, and holiday pay in this department. **Mr. Towne** pointed out that the sick leave buy back, which is a one-time cost, will help the City in its OPEB (Other Post-Employment Benefits) liability in the future.

Line 52000 – Contracted Services (\$4,028): This is for maintenance service contracts, copier service contracts which include a printer that specifically serves the justice system. The decrease in the line item is a result of the discontinuing carrying oxygen tanks in cruisers and is per contract language change regarding EMT Officer status changes. Councilor McGeary pointed out the goal of the City getting all copier and printer maintenance under a central umbrella of the Purchasing Department, although a fingerprint machine would not fall under that umbrella. **Mr. Towne** said the City is trying to coordinate all copier maintenance in this fiscal year be done under one contract.

Line 57100 – In-State Travel (\$200): This line item is for paying parking and tolls for uniformed officers. **Mr. Towne** said the Chief needed funds available in case an officer needs money up front. He noted this is the only department that has a line for petty cash. **Councilor Cox** expressed disagreement that the department has petty cash, and that the Police Department should comply with the City’s reimbursement policy; and that all other departments have a procedure for reimbursement of personal funds expended. **Mr. Towne** pointed out the issue arises when the officers are traveling in unmarked cruisers. **Chief Campanello** said this is for in-state investigations and court appearances where officers have to pay for parking and is not a cash account. An expense report is filed; the language is misleading and should be eliminated.

Councilor McGeary said even though the personnel expense went up seven percent, the actual expenditure went down a percent.

Chief Campanello said that the department no longer pays for police officer cadets to attend the Police Academy because of the contract settlement. An account will be set up that the officer will go, the Police Department will front the money, and the officer will pay the City back. That cost includes the officer cadet’s equipment. The Chief said there now is a student officer agreement that is signed and represents that the student officer pays for their equipment. It is part of their training and is an expense they have to incur. It will be taken out at a rate of \$50 per pay period and will take several years to pay back.

Chief Campanello also noted there is no capital expense for replacing automobiles in this budget. He said he has committed spending a certain amount out of the drug seizure money for the replacement of cruisers. It is a three payment process over three years towards the cruiser’s ownership, the Chief noted. He said money from the drug seizure fund will be earmarked for one-time universal costs that benefit the City in one way or another and is, he said, in his estimation, how those funds should be used.

No adjustments or revisits.

Personnel	\$ 317,214
Ordinary	\$ 47,442
Capital Expense	\$ 0
TOTAL	\$ 364,656

Department 211 – Police-Uniform – Pages 34

Note: Dept. 211-Police Uniform budget includes 54 uniformed officers (13 superiors and 42 patrolmen) and four detectives.

Chief Campanello said the increases here are due to contract. It is reduced by one patrolman as a sergeant’s position was added. **Councilor McGeary** said that overall there is a two percent pay raise. Actual personnel costs are going up nine or seven percent. **Mr. Towne** said it should be taken into consideration the factor of the sergeant’s position. **Councilor McGeary** pointed out there is other savings coming from other line items.

The following line items were touched upon briefly:

- Line 51300 – Salary/Wage Overtime (\$70,500)
- Line 51320 – Personal Services: Overtime E911 (Patrolmen’s protocol account) (\$143,000)
- Line 51350 – Personal Services: Court Overtime (\$62,500)
- Line 51360 – Personal Services: Overtime Beach (\$47,381)
- Line 51370 – Personal Services: Overtime Sup (\$151,135)
- Line 51430 – Personal Services Night Differential (\$189,655)

Line 51450 – Personal Services; Holiday Pay (192,285): This is due to contractual obligations. **Mr. Costa** said this is usually broken out in this way in other communities and is preferred to be broken down into separate categories at the preference by the State.

Line 51490 – Specialty Positions Stipend (\$37,500): This includes five detectives are in the Superior Officers contract as well as the IT Content Analysis Officer and primary boat officer. In addition to their job description, these officers have other job duties that take considerable time and are compensated by a one lump sum of \$2,500. Certain manager rights have been restored and are part of the overall contract package.

Line 51950 – Career Incentive (\$301,619): This has to do with patrol officers with degrees and the various percentages that are associated with that. With the new contract the so-called Quinn Bill automatic increases in pay were negotiated out for future hires. The Quinn Bill provided a 10 percent increase in base pay for having an Associates Degree; 25 percent for a Bachelor’s Degree, and 25 percent for a Master’s Degree, which the Chief noted was a considerable sum. The contract now says that any officer hired after July 1, 2013 should they achieve an Associates, Bachelors or Masters Degrees in Criminal Justice or Law Enforcement, they will get a one-time flat fee of \$2,000 (Associates Degree); \$3,000 (Bachelors Degree) or \$5,000 (Masters Degree) as a yearly incentive rather than based a percentage-based increase. The Chief pointed out that moving forward this will be a significant savings to the City.

Mr. Towne commented the budget presented by the Chief was a well constructed, carefully thought out and well documented budget presented by the Chief. **Chief Campanello** said he didn’t believe in presenting a budget to be cut, but would rather submit a bare bones budget. The Chief pointed out the department is level serviced and is also based on contractual obligations. The FY14 budget will provide the City with the same services as it received from his department in FY13, **Chief Campanello** said.

Line 52000 – Contracted Services: This is for services that have a yearly contract. **Mr. Towne** pointed out there is a new dedicated records management system being installed for the Police Department who has their own IT officer who will be handling their computer system, in response to a question from **Councilor Cox** on computer anti-virus costs and why the IT Department was not carrying this expense.

Line 52470 – Vehicle Maintenance (\$3,000): This is for washing police cars for maintenance purposes.

Line 54500 – Food & Food Service: This line item was reduced at the Chief’s request.

Line 55870 – Ammunition (\$6,000): The Chief said he would work within this line item’s budgeted amount. He said he would revisit this in another year if he needed to.

Line 58720 – Capital Expense (\$49,044): A request for a new Animal Control van was eliminated. The van would be run another year, and the department will find another avenue to be sure the Animal Control Officer is well equipped.

Ordinary declined six percent, **Councilor McGeary** noted and 21 percent from actual.

No adjustments or revisits.

Personnel	\$4,664,586
Ordinary	\$ 93,551
Capital Expense	\$ 49,044
TOTAL	\$4,807,181

The Committee recessed at 8:07 p.m. and reconvened at 8:15 p.m.

Department 212 – Police-Investigation – Pages 45-46

Line 51300 – Sal/Wage-Overtime (\$40,000): Increase was noted to be based on contractual obligations. This is four officers and one Lieutenant. **Councilor McGeary** noted this personnel line went up three percent. **Mr. Towne** said many of these officers were already maxed out and ordinary went down considerably from the actuals in FY13.

Personnel	\$ 412,115
Ordinary	\$ 2,450
TOTAL	\$ 414,565

Department 216 – Police-Harbors – Page 47

Line 51300 – Sal/Wage-Overtime (\$16,000): The **Chief** said this is on a seasonal basis and expect an increase on the basis of an increased presence. The Harbormaster has his own small fleet of boats and is under Waterways. **Chief Campanello** said the police boat will patrol all crucial areas five days a week but which five days will be determined by an analysis over this summer. The Harbormaster, the Waterways Board and the Chief met about the training of the Assistant Harbormasters about enforcing Mass. General Laws on the water. The goal is to increase the law enforcement on the waters of the City, **Chief Campanello** said. The department collaborates with the Coast Guard, the Environmental Police and the Harbormaster, the Chief noted, and that the coordination and cooperation

of the four entities is great. This year, the Chief said, will be a year to make an analysis of the police boat presence and that next year he expects there would be a more fleshed out plan for the deployment of the police boat.
 Line 52520 – Boat/Marine Maintenance (\$2,000): This line item was reduced due to the receipt of a grant because now there is new equipment that has a maintenance contract on the engines and the new internal systems.
 Line 54110 Gasoline (\$5,000): This line item was increased due to the rise in fuel costs.

No adjustments or revisits.

Personnel	\$ 16,000
Ordinary	\$ 7,000
TOTAL	\$ 23,000

Department 218 – Police-Parking – Page 48

Chief Campanello said this department’s personnel are all part of the AFSCME union. **Mr. Towne** noted that the procedure for parking ticket hearings has changed. Regularly scheduled one-on-one in-person hearings can be scheduled at a person’s request and will be on set days. The open position in payroll will handle these duties, **Mr. Towne** noted. The hearing officer will receive a \$7,500 stipend and would not be a police officer.

Line 51100 – Salaries/Wages-Full Time (\$36,352): This is for one Parking Enforcement Officer.
 Line 51250 – Salary/Wage Part Time Position (\$51,808): It was noted that the part-time Parking Enforcement Officer has their hours increased in the summer to accommodate the increase in vehicular traffic and the opening of the beaches. This will be reviewed through the year, the Chief said, and the department is working towards a statistical analysis on parking compliance on kiosk use. **Mr. Towne** said the best City lot for the most activity is Pleasant Street; and the kiosk system works well.
 Line 52570 – Parking Meter Maintenance (\$5,800): This decrease in funding for maintenance is due to the installation of kiosks.

No adjustments or revisits.

Personnel	\$ 88,460
Ordinary	\$ 8,200
TOTAL	\$ 96,660

Department 292 – Animal Control – Page 69

Line 51100 – Salaries/Wages-Full Time (\$50,592): The Animal Control officer works a regular shift and starts at the same time. **Councilor McGeary** said that the officer’s times at the beaches are well known. **Councilor Ciolino** encouraged the changing up of the Animal Control Officer’s hours especially during the summer season to assist in enforcement. **Chief Campanello** said that the Animal Control Officer has been encouraged to spend his overtime account for off-hour enforcement projects the Chief has assigned and is streamlining the officer’s process in getting back to citizens. He said he expected this department to be more fully functioning by next year with more advocacy work being incorporated into the officer’s role. The Chief spoke of analysis of phone messages in order to prioritize call backs and actions of the Animal Control Officer on a daily basis. He clarified that the Animal Control Officer does not to respond to calls on private property. This officer is specifically for enforcement of laws for domesticated pets on public property; if it is an emergency situation, then it is a police matter, he said.
 Line 52000 – Contracted Services (\$3,400): The department is currently negotiating with Cape Ann Animal Aid to house stray dogs that the Animal Control Officer brings in.

No adjustments or revisits.

Personnel	\$ 55,292
Ordinary	\$ 3,400
TOTAL	\$ 58,692

RECESS: The committee recessed the meeting at 8:45 p.m. until Wednesday, May 22, 2013 at 5:30 p.m., at which time the Administrative/Regulatory budget will be reviewed in the 3rd Fl. Conference Room, City Hall.

Respectfully submitted,

Dana C. Jorgensson
Clerk of Committees

DOCUMENTS/ITEMS SUBMITTED AT MEETING:

- Memo from City Registrar, Marie Giambanco re: vendor for City census dated May 21, 2013
- Memo from City Clerk, Linda T. Lowe re: FY14 Budget regarding Department Reorganization dated March 26, 2013

REVISITS:

Dept. 161, Line 51100 (\$228,278), Page 23 (difference between FY14 and pending reorganization)

Tab 1, Dept. 152 Personnel (Health Insurance/Medicare), Page 17, to consider the impact of changes to benefits occasioned by changes in Dept. 161, Line 51100

Dept. 161, Line 51200 (\$3,000), Page 23 (\$500 cut)

Dept. 161, Line 51250 (\$12,427), Page 23

Dept. 161, Line 58500 – Additional Equipment (\$300), Page 24 (laptop computer with Zoom H2 Recording System), Page 24

Dept. 163, Line 51200 – Salary/Wage-Temporary Positions (\$1,600), Page 26

Dept. 163, Line 52000 Contracted Services (\$26,550), Page 26

Dept. 163, Line 54220 - Printed forms Not Computer (\$9,700) specifically the cost of the Census, Page 26

REQUESTS FOR INFORMATION:

- For City Solicitor Ruling from the City Solicitor on whether the requirement for “constables” at polling places means that a police officer must be present at each polling place.

CITY COUNCIL STANDING COMMITTEE
Budget & Finance
Wednesday, May 22, 2013
CC Conference Room – City Hall

FY14 BUDGET REVIEW # 5 –Regulatory & Executive

Present: Councilor Paul McGeary; Vice Chair, Councilor Joseph Ciolino; Councilor Melissa Cox

Absent: None.

Also Present: Kenny Costa; Jeff Towne; Jim Duggan; Dave Sargent; Noreen Burke; Dr. Richard Sagall; Carol Gray; Lucy Sheehan; Michelle Holovak Harrison

The meeting reconvened at 5:30 p.m. Departments were taken out of order.

This meeting contains the FY14 Budget Review for the following departments: Board of Health, Shellfish, Library, Zoning Board of Appeals, Council on Aging and the Licensing Board. All departments are found in the FY14 Proposed Budget under Tab 2.

Department 510 – Public Health – Pages 94-96

The Public Health Department budget was presented by **Noreen Burke**, Public Health Director as follows:

Ms. Burke introduced Terry O’Hanley, Principal Clerk and Dr. Richard Sagall, Chair of the Board of Health. She said that the department continues to grow with grants. The estimates, she said, with contracts to settle.

Line 51100 - Salary/Wages – Full Time (\$389,548): This line represent about 40 percent of the staff of the department which consists of seven staff members. Ten other staff members are funded by grants and the department’s revolving funds (Dental Center). **Ms. Burke** said the department continues to be strong and grow with grants. The numbers represented in the salary/wage lines are the estimates with contracts yet to be settled.
Line 51250 – Salary/Wages – Part-Time: Money was transferred here for interim support for two open staff positions (a public health nurse and a Title V inspector), and a recording secretary for the Board of Health’s monthly meetings.

Councilor Ciolino asked whether any grant-funded positions continued to be funded out of the General Fund when a grant ran out. **Ms. Burke** said that has not happened in her department during her tenure. All non-general fund staff is paid out of grants and/or the Dental Center Revolving Fund. Benefits for grants personnel are charged to the grants as well. The grants pay the City for cost of the benefits of the employee, she said. Healthy Gloucester Collaborative is one group which consists of the Collaborative’s director who is full time; as is the Collaborative’s coordinator and youth coordinator. During the hiring process, Ms. Burke said, potential employees are made to understand clearly that if the grant funds go away the job goes with it.

Line 51300 – Salary/Wage Overtime (\$2,000): This line is modestly increased over FY13 reflecting the increasing number of events taking place in the City where food is served. The department has to send the food inspector to inspect food preparation to be sure it is up to code. Having seen the need for this the previous summer, the department is now planning for this increased seasonal demand on the food inspector’s time.

Line 53090 - Education and Testing Services (\$684): **Ms. Burke** noted that some of this line’s funding was moved in order to increase funds for the overtime of the food inspector (see above). Also, some of the money in this line item under Health Promotion and Education for \$1,000 was previously was given over to the Addison Gilbert Hospital for organizing health fairs; but the department determined that this money would be better utilized engaging social media for reaching the community with public health and educational messages.

Line 52000 – Contracted Services (\$2,326): **Ms. Burke** noted this line is level funded. She pointed out money was moved from this line to Line 51300 Salary/Wage-Overtime also for the food inspector. **Councilor McGeary** noted the actual FY13 budgeted amount for this line was \$1,126, and year to date is \$2,700.

Ms. Burke also noted her department’s ordinary expenses have been level funded for FY14.

Line 54290 – Miscellaneous Office Supply (\$585): This line is slightly reduced due to the Purchasing Department being responsible for ordering and purchasing letterhead and envelopes.

Ms. Burke pointed out the infusion of Free Cash in FY13 was used to fund shingles vaccines for the community with over 100 doses given out. She said the community is very appreciative, and that many seniors

would not have been able to afford the vaccine unless the Public Health Department offered it for free. This was an initiative through the recently departed public health nurse. She also noted grants continue to play an important role in her department.

As for Ms. Burke's department wish list, she said she wants to update their complaints and permits database. The department is interested to upgrade their computer systems, along with digitizing Title V records, she said. The department is also outgrowing their physical space, Ms. Burke noted. She said by participating in the City's licensing program for laser fiche, her department could vastly reduce the amount of paper it stores in-house. The department, Ms. Burke said, needs a new vehicle as the vehicles they have are old, one of which did not pass inspection. The department has lost a principal clerk and would like to put five hours on the operating budget for that position. The two clerks the department has are primarily focused on grants. There has been talk between she and Mr. Towne about sharing a clerk with other departments at the Pond Road location, she noted. She did present these items to the Mayor and discussed the needs at about the time of the Free Cash mid-year. Ultimately, she said, it will require an infusion of money for her department's infrastructure improvements.

Ms. Burke, on Councilor McGeary's inquiry regarding the purchase of Shingles vaccine for Gloucester residents said the cost of a dose, upon reordering in the last week has gone up \$15 to \$165 per dose since her department's last purchase with Free Cash mid-fiscal year. Dr. Sagall commented that the Board of Health is pleased with the work of the department.

Councilor McGeary said that compared with the FY13 budget the department was up four percent but when the FY 14 budget was compared to what was actually spent in FY 13; the department's budget is down 2.3 percent.

No revisits/adjustments.

Personnel	\$ 404,048
Ordinary	<u>6,768</u>
TOTAL	\$ 410,816

Department 296 – Shellfish Control – Pages 70-71

The Shellfish Control Department budget was presented by Dave Sargent, Shellfish Constable as follows: Mr. Sargent said his department was asked to remain level funded by the Administration, which was confirmed by the Committee and Mr. Towne. When asked by Councilor McGeary as to what departmental needs are not being met, Mr. Sargent said there are needs that are always not met, but that should be taken in context of other needs of the City that still are not being met and remain unfunded. On his wish list for his department he said another part-time employee would be helpful as his staff consists of himself and an assistant, as the City is required to have a daily enforcement presence; and if anyone is ill his department is short staffed. This, he said, was not a reasonable request however, as it could not be covered by his department's revenues. Councilor McGeary noted revenues are \$25,000 (Page 17) and agreed that figure would not pay for another salary.

Mr. Sargent confirmed for Councilor Ciolino that the warden's boat is holding up well and its utilization acts as a good deterrent against illegal clamming in areas not able to be reached from land. He also noted clam license sales have remained steady. His department conducts a clam-seeding program which is dependent upon volunteers, and has been successful in the past but there are no programs underway at this time. This seed clams are caught naturally and the program does not require funding. Councilor Cox about the current cost of City clam licenses which Mr. Sargent reviewed: \$400 for a commercial clamming license and \$200 for a student commercial clamming license. A resident recreational clamming license is \$50 (free to citizens over 70 years old). It is \$25 for a daily non-resident recreational clamming license, and \$175 for a non-resident recreational clamming license.

No revisits or adjustments.

Personnel	\$ 72,258
Ordinary	<u>2,150</u>
TOTAL	\$ 74,408

Department 610 – Library – Pages 102-105

The Library Department budget was presented by Carol Gray, Library Director as follows:

Line 51100 – Salaries/Wages – Full Time (\$613,774): This line increase over FY13 reflects the addition of the position of Assistant Head Librarian and increases are reflected throughout the personnel lines because of that position. **Mr. Towne** noted there was a slight increase in hours for the Library Assistant. **Ms. Gray** added she had asked for the increase in the Library Assistant’s hours in order to open the Children’s Room a second evening, so the entire library facility would be open Tuesdays and Thursdays until 8 p.m. She noted funds were taken from Line 57320 – Library Supplies, sub-line, books and materials (\$43,268 reduced from \$47,000) to support the personnel line item increase. She said she was told the books and materials budget may be able to be made up for in Free Cash. In FY 2014, \$835,585 represents the dollar amount of the library budget the State requires in order for the Library to hold its certification. **Ms. Gray** said the state’s certification budget requirement dollar total increases by two percent each year.

Ms. Gray said as result of additional hours in the Children’s Room, the Library was able to increase programming for that department; and without much fanfare has seen a good uptick in visits to the Children’s Room. Most of the children’s programming takes place on Saturdays, she added. She also lauded the Children’s Room staff for their innovative work and dedication.

Councilor McGeary pointed out the Library functioned as St. Ann School’s library. **Ms. Gray** confirmed that was the case for the last 20 years and expected there would be fewer of those students now coming to the Library utilizing the Children’s Room on a regular basis, as St. Ann’s School is closing shortly. The Library, she said would look to honor that relationship moving forward by some sort of memorial in the Children’s Room. With this change, the Library will now be able to redirect its energy to do additional outreach with the public schools, she noted. **Ms. Gray** also spoke of the Assistant Head Librarian’s input and some of her accomplishments to date.

Regarding Library capital improvements, **Mr. Towne** noted there is an elevator for the Library in an out-year of the 2013-2017 City capital improvement plan that is before the CIAB. **Ms. Gray** said she believed that she added restroom renovations to that list also.

Ms. Gray enumerated her wish list to the Committee saying that she would have appreciated three or four more hours added to personnel in order to rotate the schedule to increase library hours and also for the reference department part-time person to increase their work time. The part-time reference librarian, she said, provides a valuable service to the public. She also said she had hoped to be able to bring back the Library Sunday hours, from 1 to 5 p.m. To open on Sundays, she recalled, it was estimated some years ago that the cost would be \$10,000, but she said she did not have updated figures to present to the Committee at this time.

No revisits or adjustments.

Personnel	\$ 741,608
Ordinary	\$ 96,178
Capital Expenses	\$ 0
Total	\$ 837,786

Department 176 - Zoning Board of Appeal - Page 28

No Revisits or Adjustments.

Personnel	\$ 7,035
Ordinary	\$ 225
TOTAL	\$ 7,260

Department 541 – Council on Aging – Pages 97-98

The Council on Aging budget was presented by **Lucy Sheehan**, Senior Center Coordinator, as follows:

Ms. Sheehan said the budget is balanced. There are no increases for salaries except for step increases. **Mr. Towne** added that Ms. Sheehan was one of the few department heads who presented a level funded budget to the Administration. **Ms. Sheehan** discussed with the Committee and Mr. Duggan about possibly raising the Art Coordinator’s grade when funding was available.

Ms. Sheehan said that the department lost an Activities Coordinator and she would wish for one to be hired. She said she was hopeful that through an increase in the State Formula Grant that the position could be restored part-time.

At the request of **Councilor McGeary**, **Ms. Sheehan** explained that the City funds her salary completely. The Outreach Coordinator is funded partially by the City and Senior Care Title 3B, Older American’s Act pays a portion, and a portion comes from the State’s Formula Grant. The Senior Clerk is paid entirely from the State’s Formula Grant. The Art Coordinator is funded partially by the City and by the Friends of the Council on Aging by a gift to the City for part of that position’s funding. The Social Day Care Program at the Senior Center is completely revolving, money in/money out; clients are billed for this service. She said the Friends of the Council on Aging are helpful in contributing through small fundraisers.

Councilor McGeary said that Ms. Sheehan does a great job. The FY 14 budget is up \$2,000 but that is compared to budgeted FY13. Compared to what was actually spent to date in FY 13, it is down 12 percent, but that includes some capital improvements to the Senior Center.

Personnel	\$ 91,480
Ordinary	\$ 5,564
TOTAL	\$ 97,044

Department 165 – Licensing Board – Page 27

Presenting the Licensing Board budget was **Michelle Holovak Harrison**, Chair of the Licensing Board, as follows:

Line 51250 – Salary/Wage – Part-time Position (\$22,849): **Ms. Harrison** noted the personnel line is increased by about \$2,000 due to contractual obligations. She noted revenues were about \$150,000 for FY13 and asked for consideration to increase the hours of the Board’s clerk, saying it was very hard with the clerk only working 10 hours a week. This increase was not placed in the FY14 budget. If this employee increases hours because she takes the minutes for two separate committees, it moves the clerk into a different category, and some benefits may be involved. Right now the Licensing Board clerk works a total of 19 hours a week. **Ms. Harrison** said the Board is looking to be more organized coordinated with other City departments, especially Inspectional Services, and that there are other functions which require more of the clerk’s attention thereby pointing to the need to increase the clerk’s hours. **Ms. Harrison** said the Licensing Board revenue would support this person’s added hours. It was noted by **Councilor McGeary** that this same clerk also takes the minutes for the Planning Board and the Conservation Commission which accounts for the other hours that may change her employment categorization. Mr. Duggan and Ms. Harrison agreed to meet to work out details of how the Licensing Board clerk could be retained in the same manner without becoming a full-time employee of the City but still have an increase in hours. At the time of the revisit **Mr. Duggan** said he and Ms. Harrison should be ready to present a plan to the Committee with accurate numbers which he said would not be a lot.

Line 52000 – Contracted Services (\$1,000): The Board did not use \$1,000 in this line item during FY13 for hiring a consultant to assist in the drafting of the Licensing Board’s policy manual because of administrative reasons. However, the Board will move forward in FY14 with the manual’s update by the same consultant.

Mr. Duggan said the City was fortunate that Ms. Harrison accepted the chairmanship of the Licensing Board; and has continued the improvements the previous Board started and the increasing of the clerk’s hours warrants examination. Revenues were noted to be about \$150,000 for FY13 and are anticipated to remain at that level for FY14. The Board can’t bump up its revenue, **Ms. Harrison** said, because the City is already one license over the state quota, and fees were raised only about two years ago. She noted the City added the category of seasonal licenses, and the Board can issue three licenses. One has been issued, and the Board just voted to issue a second this week.

REVISIT: Line 51250 – Salary/Wage-Part-time Position (\$22,849) to increase clerk’s hours and possibly under Dept. 152 (Health Insurance and Medicare)

Personnel	\$ 22,849
Ordinary	\$ 1,175
TOTAL	\$ 20,561

A motion was made, seconded and voted unanimously to RECESS the meeting at 7:00 p.m. until Wednesday, May 29, 2013 at 5:30 p.m. to review the Fire Department budget (including Civil Defense) in the 1st Fl. Council Committee Room, City Hall.

Respectfully submitted,

Dana C. Jorgenson
Clerk of Committees

DOCUMENTS/ITEMS SUBMITTED AT MEETING:

REVISITS:

Dept. 165, Line 51250 – Salary/Wage-Part-time Position (\$22,849) to increase clerk's hours and possibly under Dept. 152 (Health Insurance and Medicare), Page 27

DRAFT

CITY COUNCIL STANDING COMMITTEE
Budget & Finance
Wednesday, May 29, 2013 – 8:30 p.m.
1st. Fl. Council Committee Room – City Hall

FY14 BUDGET REVIEW #6 – FIRE DEPARTMENT (INCLUDING CIVIL DEFENSE)

Present: Chair, Councilor Paul McGeary; Councilor Melissa Cox; Councilor Jackie Hardy (Alternate)

Absent: Councilor Ciolino

Also Present: Kenny Costa; Jeff Towne; Sander Schultz, EMT-P; Sue Miller; Carol McMahon; Firefighter Michael Sonia; Captain Tom LoGrande; Deputy Fire Chief Tom Aiello

The meeting reconvened at 5:32 p.m.

Councilor Hardy informed the Committee she has a brother who is a proud Gloucester Firefighter and that under MGL c. 268A; she will participate in the discussion of personnel matters in general, not specifically related to her brother. She said she did not believe her limited participation in the personnel matters on the overall Fire Department budget will benefit her brother or herself. She added that she will participate fully in all ordinary line items without limitation.

- Tab 2, Pages 49-63 – Fire Department and Tab 2, Pages 67-68 – Civil Defense Budgets were reviewed by **Fire Chief Eric Smith** as follows:

Chief Smith said this proposed budget has been reviewed by the Administration and fits within the scope of the overall City budget. The budget, he noted, will accomplish the mission of the Fire Department well in FY14. There will be limitations to station openings, but he said he didn't see any issue maintaining staffing of 14 firefighters per shift which keeps Central Station and the West Gloucester stations open full time. As of a week ago, there is now a full complement of 18 firefighters across all shifts, but with 111F injuries, vacations, sick time, etc., it remains difficult to predict outlying station openings. He did say that maintaining a staffing of 14 firefighters per shift will not be difficult. The department may be able to get the Bay View station open more often; and if staffing is maintained all stations will be open more often. **Chief Smith** said contract negotiations with the Firefighter's union have been proactive. As a result of the cooperative negotiation process, he said he anticipates the new contract will affect the department and the City positively moving forward although it will not affect the FY14 budget all that much.

Department 220 — Fire Department – Page 49-53

PERSONAL:

Line 51100 – Salaries/Wages-Full Time (\$4,691,240): **Councilor McGeary** said in the departmental spreadsheet there is a line which is for EMT (Emergency Medical Technician) Education Incentive (\$20,000) but did not see it in the summary. **Chief Smith** said the department tries to proactively predict an increase of firefighters moving from Emergency First Responders to EMT's as well as any educational increases; and is basically funding in reserve for firefighters who are increasing their level of licensure or pursuing college degrees and is contractual.

Councilor McGeary also noted that department employees are entitled by contract to receive a higher rate of regular pay when filling in for a superior officer positions which has \$14,000 to cover that. He pointed out that the total for Salary/Wages Full time is \$4,691,240 which is an increase of 2.8 percent over the department's budgeted figure and 8.6 percent over the department's actual year to date. He said there was a one percent 'shave' from the Mayor and asked the Chief if he could live with that, which the Chief replied he could.

Councilor McGeary asked whether the addition of one more full-time firefighter/paramedic to the department would help to keep fire stations would open. **Chief Smith** said hiring would have to be done in multiples of four as he would need to add one firefighter/paramedic per shift of which there are four to make a real difference.

Councilor Hardy asked for a total of firefighters which the Chief said the department including him is at 75 sworn firefighters and two civilians; 72 are line firefighters, divided into four groups of 18. In addition staffing includes Sander Schultz, EMS Coordinator, Fire Inspector Bouchie. **Councilor Hardy** asked if the EMS Coordinator made the same salary as a Deputy Fire Chief and was informed that he did, with a \$23 dollar difference noted overall.

Councilor McGeary pointed out this line item reflects a 2 percent increase over the previous year.

Line 51300 – Salary/Wage Overtime (\$315,750): This line is for specific salary/wage overtime but additionally it covers overtime required to fill vacancies created when EMTs or paramedics take refresher courses, or attend Morbidity and Mortality rounds. This is where the station opening funding comes from. **Councilor McGeary** pointed out the department request was for \$1.89 million, and the actual through May 2013 was \$606,000 and the proposed FY14 budget was \$315,750. He asked if the Chief's plan moving forward to fund this out of Free Cash because the amount budgeted clearly would not cover the need.

Jim Duggan, CAO, said the department would adopt a structured process going forward to make sure the full staffing of 14 firefighters per shift is maintained at all times. Beyond that, he said, the Administration will stay with the same process as in the past of allotting overtime funding in two-week increments. Once the bi-weekly allotment is used up overtime will be stopped until the next bi-weekly allotment is available. The Administration, he added, will also look at what kind of balance there is at the time of Free Cash and make a further investment in the department to the end of the fiscal year.

Mr. Duggan also spoke to the contract negotiation and said that there has been a meeting of the minds and the rank and file will be reviewing contract provisions. He thanked the union and the Chief for working hard on the firefighters' contract and said the talks had been very positive. Two members of the negotiating team were present - Captain Tom LoGrande and Deputy Chief Tom Aiello whom **Mr. Duggan** and the Committee acknowledged. **Councilor Hardy** asked when the union would vote to ratify the contract. A meeting is scheduled next week of the entire body, **Capt. LoGrande** said.

Line 51315 – Fire Department Overtime Training (\$84,400): This line is for the training of firefighters when they are off duty both for internal and external training when a firefighter cannot attend while on duty.

51316 - Personal Services, CEU (Continuing Education Units) Overtime (\$63,300): This line item pays for state-mandated number of hours per year for renewal of licensure for the continuing education of the firefighters, EMTs and paramedics.

Line 51317 - Personal Services Overtime Callbacks and Holdovers (\$70,000): This line is used when covering events like Fiesta; for a significant incident, a two-alarm fire, for example, when off-duty personnel are called in to help and maintain citywide coverage, and holdovers, when firefighters are kept on the job when their shift ends. The Chief commented funding will be moved around to cover these line items as needed. His requests for funding for station opening was not included in the mayor's level service budget, as Free Cash this fiscal year was used to supplement the department budget to keep outlying stations opened.

Line 51420 – EMT Pay-Med Differential (\$23,895): On inquiry by **Councilor McGeary**, **Chief Smith** explained that all firefighters are at least a certified First Responder in the State. **Mr. Schultz** informed the Committee that: The department has 44 EMT-Basics and 22 EMT-Paramedics. EMTs and EMT-Paramedics receive an EMT pay differential as seen on in this line item. The differential is the same for an EMT and an EMT-Paramedic.

Councilor Cox noted there is some staff that are not EMT's or EMT-Paramedics. **Mr. Schultz** said it is not a requirement that firefighters be EMT's. However, there are firefighters who were hired, as a condition of employment, to be EMT's. Members who lose their EMT certification would place their position in jeopardy, he said. The newer hires do not have to become EMT's. For those hired in the last two or three years do plan on becoming EMT's because of the pay differential, and it also expands their job.

Line 51450 – Holiday Pay (\$289,725): **Councilor Hardy** asked if the firefighters are on the list even if they are not on duty. **Chief Smith** said the firefighters are paid regardless under this line item. **Councilor Hardy** counted 76 firefighters on this line item. **Sue Mills**, Principal Clerk for the department said the extra entries represented the BLS (Basic Life Support) coordinator stipend.

Line 51570 – Personal Services: Workers/Comp Payroll (\$0): **Councilor McGeary** noted this current fiscal year was \$188,000 and nothing is budgeted. **Ms. Mills** said that when an employee receives worker's compensation, she transfers equivalent funds from Salary/Wages every two weeks at payroll time to cover the cost of the compensation.

Line 51944 – Sick Incentive Pay (\$15,000): **Ms. Mills** commented this program was instituted this past year, and this year it is now budgeted. Last year these funds were with the Personnel Department.

Councilor McGeary noted that the Fire Department request was for \$6,486,163, and the Mayor put in \$5,687,065 which is \$209,000 more than budgeted in FY13; however, it is \$104,000 less than the actual to date in FY13. The Mayor cut the department's request by 12 percent, but it was 4 percent greater than budgeted in FY13 and 2 percent less that has actually been spent to date in FY13 but said it would round out in the overtime calculations.

ORDINARY:

Line 52100 - EMS Contracts (\$15,000): The service contracts for some equipment was consuming the supplies replacement budget, and so was separated out into this line item, **Mr. Schultz** said.

Line 52001 – Special Contracted Services (\$2,000): **Councilor McGeary** noted in FY13 the department spent almost \$20,000 and the department asked for \$7,000 but got \$2,000. **Mr. Schultz** explained this line is for advance life support services. When a department ambulance is staffed only at the BLS level and paramedics are needed for a particular call under this circumstance from another provider that service is paid for. This funding hasn't been used as much because both frontline ambulances are staffed consistently with basic and advanced life support staff. The account was used as a bank to pay for the contractual services, according to the Chief. With consistent staffing **Mr. Schultz** said the line item may be able to be dropped further in the next budget year. He also explained the term, "turfed calls" which are those calls that when both department ambulances are already on calls or there is a fire. Then the department calls in another service, typically Beauport Ambulance. The department doesn't pay the back up service, but loses the income from the call that is turfed. He said he monitors those calls to look for any lost revenues, and to determine whether acquiring and staffing a third ambulance would be appropriate.

Line 52470 – Vehicle Maintenance (\$60,000): On inquiry by **Councilor Cox**, **Chief Smith** said this line item was reduced from a request of \$100,000, and at least one of the department's problematic vehicles is included. A new truck is 90 days away from delivery, the Chief noted. A recently acquired refurbished truck is in service and doing a great job; therefore, the expectation is there will be less maintenance necessary, he said. **Mr. Towne** said there is an expectation of more maintenance on the equipment to be done in house to support the fleet as it exists now. There will be preventive maintenance costs that are known which will help determine funding going forward, he said.

Line 52610 – Computer Maintenance Contracts (\$23,764): **Mr. Towne** and **Mr. Schultz** spoke to some of the computer systems used by the department and the systems' interfaces. There is one more interface which was removed from this line item. **Mr. Towne** said there should be two separate lines for the Zoll interface at \$2,000 each. This item would be added to a revisit to put in another \$2,000 for the Zoll interface.

Line 52690 Other Equipment Maintenance (\$22,096): Quarterly Air Quality testing as part of this line item was noted as being a yearly cost, with testing done four times a year in addition to the annual maintenance for the system in Central Station. Also noted were the thermal imaging camera batteries in this line item. The Chief explained that the batteries are cycled annually which should allow for keeping up with the replacements.

Line 53060 – Public Safety Programs (\$13,000): It was noted the request to the Mayor for this line was \$45,000. **Chief Smith** said \$22,000 is in question. That money is to cover the two EMT's the department wants to send to paramedic school. The overtime funds are in the budget, but the tuition is at issue. It will be worked on to get that back in the budget, he said. This is divided over several accounts, one for overtime and one to pay for the courses, **Ms. Mills** said.

Line 53065 – Fire Prevention Classes (\$10,000): **Councilor Hardy** asked why this is the first time this is in the budget. **Chief Smith** said this was split up from the Fire Prevention piece from the training piece. This is for tracking purposes of the department.

Line 54390 – Lumber/Building Material (\$700): This is for cribbing and wood blocks for vehicle extrication and for training for probationary members. This also supports on-duty personnel when they make improvements at the outlying fire stations which firefighters are willing to do.

Line 55000 – Medical/Surgical Supplies (\$40,000): **Mr. Schultz** noted this line item is for routine ambulance and jump kit supplies, and said those costs are going up. As mentioned in previous discussions with the B&F Committee, the department pays for supplies which used to come from the hospital for free such as needles. Such items can not be replaced at the hospital any more. Basic supplies such as oxygen masks, some medications, can be gotten at the hospital for free, but it is a very limited list. He said while this line item not funded as requested by the department, **Mr. Schultz** said he would make it work. The department is starting to charge for some limited supplies to patients, which goes against bundled billing (billing one price for one patient transport), **Mr. Schultz** noted. Over the next few years he said there will be changes in billing moving towards comprehensive billing (an itemized billing for services rendered and equipment/supplies used) but that is a few years away.

Line 57300 – Dues & Memberships (\$10,650): Parking fees were questioned. **Chief Smith** said the firefighter's union pays the Congregational Church for parking for the staff. He said the department should not pay for its parking as other City departments do not. He said he has worked to maintain parking spots with the library but that will shrink because of the redesign of that lot. **Mr. Towne** said he agreed the parking should be provided for the firefighters as for other City employees. **Councilor Cox** assured the Chief she was told that the library would work with the Fire Department to maintain their designated parking spaces as the library renovates their exterior.

The cost of subscriptions (\$9,650) was questioned by the Committee. **Chief Smith** said the dues and subscriptions for various firefighting and medical associations are for professional development of his staff, and that

without keeping up regularly, it is very easy to fall behind. The seminars and education that comes with these fees, he said, are very worthwhile and benefit the entire department.

Councilor McGeary noted that Ordinary was up \$134,889, a 40 percent increase over budget and up \$56,500 over the actual for a 13 percent increase overall.

CAPITAL

Line 58570 – Additional EMS Equipment (\$20,000): **Mr. Schultz** said the following: A \$28,000 request is not included in this line item for a new monitor/defibrillator. Two years ago the department purchased two LifePack 15 monitor/defibrillators. To keep up with the maintenance and replacement cycle, he wished to purchase another LifePack 15 monitor/defibrillator this year. There is an older LifePack monophasic monitor/defibrillator that is out of service and still has trade-in value. The \$28,000 price includes a \$2,000 trade-in. He would be willing to revisit this item at Free Cash time. These are portable units are on the ambulances and removed to the patient’s side for use, and are mounted back into the ambulance during transportation. The department owns five LifePack defibrillators, two LifePack 15’s and three LifePack 12’s. As the number of paramedics increase on the service, it might be possible to create ALS (Advanced Life Support) engine companies, for instance, a paramedic at the West Gloucester station. However, now paramedics do not have the tools to act in that role from that location. For long term planning it is imperative to not fall behind and keep up with LifePack replacements, **Mr. Schultz** said.

The life expectancy for the LifePack equipment is three to six years, and **Mr. Towne** said that the thought was to look at this matter in another year.

Line 58720 – Replace Automobile – This is the final payment on the City’s vehicle for the Chief.

Councilor McGeary noted Capital is \$40,000 down from the department request of \$80,000 which is 52 percent more than was budgeted in FY13 but 26 percent less than what the actual spending is for FY13 to date. The Fire Department total funding is \$6,203,840 with a 6 percent increase over budgeted and a one percent or \$62,000 from the actual dollars spent in FY13 to date.

Personnel	\$5,687,065
Ordinary	\$ 476,060
Capital Expense	\$ 40,715
TOTAL	\$6,203,840

REVISIT: Dept. 220, Line 51300 – Salary/Wage Overtime (\$62,800), Page 52

REVISIT: Dept. 220, Line 52610 Add \$2,000 to this line item for Zoll Interface, Page 59

REVISIT: Dept. 220, Line 55000 – Medical/Surgical Supplies (\$40,000) with a possible addition of \$10,000, Page 62

Department 291—Civil Defense – Page 67

Line 52707 Office Equipment & Furnishings (\$0): This line wasn’t funded and is needed for equipment leases for phones. This line needs to be renamed, the Chief noted. The service is separate but this is for the lease of the equipment

Line 54300 – Replace Light bulbs (\$0): This was for the Emergency Operations Center (EOC) at Fuller and sheltering and was not funded.

Councilor Hardy asked if the department moves to the O’Maley School would the expenses are kept separate from school facilities as the use is not school oriented, and would the account could be segregated. **Chief Smith** said Mr. Hafey, Facilitates Manager has this in his budget. It will be a school space, but will be used for the EOC when needed. The space will be dual purposed – used as a school space when not used for the EOC. **Carol McMahan**, contracted employee of the department as Assistant to the Emergency Management Director (role filled by the Chief) said there will be a space that can be locked to store the EOC equipment.

Personnel	\$ 0
Ordinary	\$ 27,886
Capital Expense	\$ 0
TOTAL	\$ 27,886

REVISIT: Dept. 291, Line 52707 Office Equipment & Furnishings (\$0) should have a telephone lease for \$3,300 included, Page 67

MOTION: It was moved, seconded, and voted unanimously to recess the meeting at 5:30 p.m. until Thursday, May 30, 2013 at 5:30 p.m., to review the Administrative budgets in the 1st. Fl. Council Committee Room, City Hall.

Respectfully submitted,

Dana C. Jorgensson
Clerk of Committees

DOCUMENTS/ITEMS SUBMITTED DURING THIS PORTION OF THE MEETING: None.

REVISITS:

Dept. 220, Line 51300 – Salary/Wage Overtime (\$62,800), Page 52

Dept. 220, Line 52610 Add \$2,000 to this line item for Zoll Interface, Page 59

Dept. 220, Line 55000 – Medical/Surgical Supplies (\$40,000) with a possible addition of \$10,000, Page 62

Dept. 291, Line 52707 Office Equipment & Furnishings (\$0) should have a telephone lease for \$3,300 included, Page 67

CITY COUNCIL STANDING COMMITTEE
Budget & Finance
Thursday, May 30, 2013 – 5:30 p.m.
1st Fl. Council Committee Room – City Hall

FY14 BUDGET REVIEW # 7 –Executive

Present: Councilor Paul McGeary; Vice Chair, Councilor Joseph Ciolino; Councilor Melissa Cox
Absent: None.

Also Present: Kenny Costa; Jeff Towne; Jim Duggan; Sally Polzin; Suzanne Egan; Donna Compton; Holly Dougwillo

The meeting reconvened at 5:34 p.m. Departments were taken out of order.

This meeting contains the FY14 Budget Review for the following departments: Mayor's Office; Treasurer/Collector; Personnel; Management Information Systems; Legal and Purchasing. All department budgets are found in the FY14 Proposed Budget under Tab 2.

Department 121 – Mayor – Pages 2-3

Jim Duggan, CAO presented the Mayor's Department budget as follows:

Personnel expenses reflect the Mayor's salary increase from the change in the ordinance which starts Jan. 1, 2014; FY15 will show a full year's salary of \$100,000. There is one line item he said was omitted for the Mayor's Executive Secretary for sick leave/buy back and noted as a confidential secretary.

Line 54210 – Office Supplies (\$0): This budget line is eliminated and moved to Line 54000 – Supplies.

At **Councilor McGeary's** prompting, there was a discussion related to revenues, Dept. 121, \$350,000 Wind Turbine revenue, which **Mr. Towne** pointed out is one time. **Councilor McGeary** said he believed monies gained from the wind turbine program received by the City were going to offset engineering and design services for the combined Emergency Services Public Safety Center, and then thereafter the wind turbine funds would be used to pay down the debt to build the Public Safety Center, and added he didn't see a line item for this in the FY14 budget. **Mr. Towne** said in FY14 the money goes into the General Fund to offset the budget and not to be used towards the Public Safety Center. In FY15 that is when those monies go towards that City project. He noted there have been 3.5 million kilowatt hours since January 2013. If the City reached 11.5 million KW hours, the City would be looking at about an estimated \$450,000 in revenue from the cooperative turbine project. **Mr. Duggan** said the PILOT payment was not used to offset anything and will fall to the bottom line.

REVISIT: This line is to be added: Dept. 121, Line 51944 – Sick Leave Incentive (\$300), Page 2

Personnel	\$ 263,279
Ordinary	<u>24,000</u>
TOTAL	\$ 287,279

Department 138 – Treasurer/Collector – Pages 11-14

The Treasurer/Collector's Department budget was presented by **Jeff Towne, CFO** as follows:

Line 51100 Salary/Wages Full Time (\$504,648): **Mr. Towne** said that the Payroll Clerk has left to take a position with the School Department. A Collection Specialist has taken that the Payroll Clerk's job, and now there is the position of Collections Specialist open in his department. The department is maintaining the same number of staff, he said.

Line 51200 – Salary/Wages – Temporary Position (\$10,010) – This line item represents two beach sticker sales personnel. He noted 7,500 stickers were sold last year; and that two people work full time for 13 weeks selling the stickers.

Line 51920 – Sick Leave Buy-Back (\$1,350): Only one employee is eligible for Sick Leave Buy-back.

Line 52000 – Contracted Services – (\$93,420) – This line item contains within it the following items funded similarly to last year:

Lockbox Services	\$15,000
Medicaid Billing Consultant	\$12,000
Parking Kiosk Software	\$ 7,920
Parking Meter Coin Transport	\$ 6,500
Parking Violation & Coll. Svs.	\$42,000
Stuffing & Mailing Bills	\$10,000

Line 53140 –Legal Consultations (\$205,000): This is funded similarly as the previous year. \$5,000 is kept for legal fees related to foreclosures that didn’t go to auction, for instance, and \$200,000 is offset by revenues from fees from collections.

Line 53160 – Contracted Services – Banking (\$30,000): This was switched to a Pay-For banking contract rather than Compensated Balances Fee. At the end of January the department will go out again for banking services for a three-year contract. The department doubled its funding for this line because it will pay for fees associated for credit card payments at the beaches for the first time this summer. Next year’s funding for this line item will be based on actuals.

Line 54290 – Miscellaneous Special Office Supplies (\$28,000): Three of the four items in this line are moved from the MIS Department budget.

Line 57100 In-State Travel (\$1,500): This includes cost for the Treasurer to attend the Massachusetts Municipal Association conference(s) and the fall conference of the Eastern Mass. Treasurer/Collector’s Association for both the Treasurer/Collector and the Assistant Treasurer/Collector.

Line 57300 Dues & Memberships (\$3,000): **Mr. Towne** described the entries in this line item to the Committee.

Line 57400 – General Insurance (\$14,000): This line item is for flood and bond insurance for the High School, Poplar Street City property, and Ten Pound Island which are all in a flood zone.

Line 57420 – Property Insurance-General Liability (\$525,000): This is for insurance coverage for all the City buildings and their contents. This went up seven percent this year, **Mr. Towne** said.

Line 57430 – Self Insurance-Property Liability (\$15,000): This is to pay the City’s deductibles depending on the plan, the deductibles are self-insured.

Line 57460 – Self-Insurance Auto (\$15,000): This is similar to 57430 in that the departments.

Line 59100 – Long Term Principal/Debt Service (\$8,039,277)

Line 59150 – Interest – Long Term Debt (\$2,051,070)

Line 59250 – Interest/Temporary Notes (\$185,710)

Line 59450 – Bond Issuance Costs (\$75,060)

The above four lines were reported on and discussed by **Mr. Towne** with the Committee. He explained the process for the Committee about loan authorizations once voted upon by the Council to the time he moves the loans to long-term debt payments. During that discussion **Councilor McGeary** pointed out that 75 Special Budgetary Transfers and Supplemental Appropriations to date in FY13 were funded from these four line items, especially Line item 59100 and Line Item 59150. **Mr. Towne** pointed out that \$250,000 was going to come from Line 59100 to help eliminate that FY 13 Snow and Ice deficit. Funds unused because of sound fiscal management or the timing of when loans go out for financing from short to long term also determine how much money is in one of these line items at a given time. **Councilor McGeary** placed Lines 59100 and 59150 on the Revisit list.

Councilor McGeary complimented Mr. Towne on his work for the City and keeping the City on a strong financial footing.

Councilor McGeary then noted that the department’s budget is \$11,805,245 which is an increase of \$225,949 over the FY13 budget or 2 percent; and an increase of \$260,406, or 2.2 percent against the actual spending to date in FY13.

Personnel	\$ 520,708
Ordinary	\$ 11,281,037
Capital Expenses	\$ 3,500
TOTAL	\$ 11,805,245

REVISIT: Line 59100 Long-Term Principal/Debt Service (\$8,039,277), Page 13

Line 59150 Interest – Long Term Debt (\$2,051,070), Page 13

REQUEST FOR INFORMATION: From **Mr. Towne** a spreadsheet showing Treasurer/Collector debt expense details that support the budget request for Dept. 145 for both debt principal, and debt interest - long term

Department 152 – Personnel – Pages 17-19

The Personnel Department's budget was presented by **Sally Polzin**, Personnel Director, as follows:

Ms. Polzin said that there are not too many big changes. Most of the line items are either well set or a moving target in terms of workers compensation and health insurance. She noted Line 51710 - Workers Compensation/Settlements has gone up because of a number of settlements coming up that are sizable; knowing what is coming forward in FY14 has informed the funding of this line item. **Ms. Polzin** said the City is currently in negotiation with the Public Employee Committee (PEC) which represents all City unions on health care insurance matters but did not have a lot of information on the matter at this time. She reminded the Committee that several years ago the Council voted to adopt MGL Ch. 32B, Sec. 19, which provides for coalition bargaining. She explained to the Committee that the agreement is ratified by a weighted vote, with the teachers union having the largest portion of the vote. Smaller unions could vote for the plan, but if either the teachers or firefighters, the two largest unions, vote against the plan the result would be to negate that vote. **Councilor McGeary** said in terms of the Mass. GIC (Group Insurance Commission), the Council would have to approve adopting additionally of MGL C. 32B, Sections 21 and 22. **Ms. Polzin** said if the City were to move the City's health insurance program to the GIC, it would have to be in January and the GIC would have to be notified in July. **Mr. Towne** pointed out if the PEC chooses to join the GIC that is a separate action and does not require Council action. **Councilor McGeary** added that if the PEC did not want to go with the GIC, and the Council wanted to move in that direction. **Ms. Polzin** said then the Council would have to reconsider adoption of those other sections of MGL c. 32B, Sections 21 and 22.

Line 51750 – Personal Services – Health/Dental Insurance (\$5,145,799): **Councilor McGeary** noted the total for Health Insurance was \$5,145,799 and asked if the Personnel Department staying fast on that number. **Ms. Polzin** reiterated this total is a moving target. **Councilor McGeary** pointed out compared to last year's appropriation, this is a 2.9 percent increase. The Mayor in her cover memo referred to a 3.98 percent difference. **Mr. Towne** pointed out some employees change plans, going from single to family, from single to Medicare, family to single and confirmed to the Councilor the Mayor's memo for the FY14 proposed budget was a snapshot. This line does not reflect the rate increase but the actual of how many policies and kinds in total aggregate premiums will be, **Councilor McGeary** said. **Ms. Polzin** said it reflects both; it is the volatility in the base.

Councilor McGeary noted it has been said that the net savings to the City in joining the GIC is about \$1 million. **Ms. Polzin** explained as follows: This is dependent upon what plans out of the 10 offered to employees are chosen. The least expensive plan among the 10 offered is Fallon Direct; if a lot of employees chose this option, there would be a greater savings to the City. If people go into the indemnity plan or into a more expensive Tufts Health Care plans, there is less of a savings to the City. If the PEC were to agree to the GIC, the members' choices are through the GIC. **Councilor McGeary** suggested should the City have the option to go to the GIC health insurance program there would be a great deal of outreach needed to educate employees on their choices. **Ms. Polzin** said Holly Dougwillo, Personnel Department's Workers Comp/Benefits staff member, has done a great deal of outreach to the PEC and their people to give them information on the various GIC plans; and she said there would be a health fair sponsored by her department to help further inform the employees. (For more information online at: mass.gov/gic/).

Line 51720 – Personal Services – Unemployment Insurance (\$50,000): On inquiry by **Councilor Cox**, **Ms. Polzin** confirmed that the City is self-insured for unemployment insurance. **Mr. Towne** added that the State sends the City a bill when claims are made and paid.

Line 51570 – Workers/Comp Payroll (\$0): This line would be funded if a Workers Compensation matter was not funded by a departmental budget. **Mr. Towne** said people come on and off Workers Compensation at any given time so it is hard to plan to fund this line which will likely be funded sometime during the fiscal year.

Line 51751 – Health Insurance Deductible (\$68,000): **Mr. Towne** said this was the first year of a program for deductibles for health insurance, and was budgeted based on an average per person cost for employee reimbursement. The FY14 budget was based on the previous year's actuals. If the City goes to GIC, there are deductibles; some of the savings from health insurance will have to fund the deductible reimbursement program. **Ms. Polzin** noted this is part of the negotiations.

Line 52000 – Contracted Services (\$83,158): This line item was reviewed

Line 52290 – Employee Recognition (\$5,000): **Ms. Polzin** said this was something that employees have said they appreciate, and the program is being brought back.

Councilor McGeary noted the Personnel budget as presented is \$6,504,389 down from a request of \$6,752,339 up a little bit from actual which is \$6.472 million, about 2 percent and less than that of above last year by approximately a half of a percent.

REVISIT: Dept. 152, Line 51750 – Personal Services: Employee Health Insurance (\$5,145,799), Page 17

Personnel	\$6,415,971
Ordinary	<u>88,418</u>
TOTAL	\$6,504,389

Department 155 – Management Information Systems – Pages 20-22

The Management Information Systems budget was presented by **Mr. Towne** as follows:

Line 51100 – Salaries/Wages-Full Time (\$171,595): **Mr. Towne** said when this budget was presented with three staff, two full-time, and while a full-time position, the GIS Coordinator charged 50 percent to the General Fund and the other 50 percent funded 25 percent each from the Water and Sewer Enterprise Funds. There are straight step increases and cost of living increases. It was noted the vacant position of MIS Director is advertised for a salary commensurate with experience on the M9 pay scale.

Councilor Cox asked if three staff were enough for an MIS Department for an overall City staff of its size. **Mr. Towne** said were he to design from scratch an MIS department with money as no object, he would have a single MIS director who can plan the overall infrastructure plan for both the city and the school department but not be responsible for the day-to-day implementation tasks. He suggested perhaps this person and the School Department's head of MIS services would work together to coordinate this plan. There would then be a technical specialist who would execute the plan and technical support position or positions. Since the ticket system was implemented in October 2012, there have been over 800 tickets created with some open tickets dating back to January 2013. He said there was also talk of an internship program, which didn't come to fruition. **Mr. Towne** said the need is for people who can do hardware connections and other straightforward tasks. **Councilor Cox** expressed her concern in hiring a new MIS Director only to fail because there isn't enough staff support staff saying that if this department falls down, it has a domino effect throughout the rest of the City departments. She urged that this is an important department. **Mr. Towne** said on the school side has seven or eight times the volume of end users and therefore has more staffing. That department has interns as well. **Mr. Towne** said he agreed with Councilor Cox and that he wants to see more investment in technology.

Mr. Towne said some of this department's budget has been moved to his department's budget to control the printing of bills, which is why the MIS budget originally declined.

Line 52000 – Contracted Services (\$15,000): That was for contracting outside help for whatever projects need help. This line has not been funded in the past.

Line 52610 – Computer Maintenance Contract (\$28,600): This is for ink and toner for printers, maintenance contracts. Of note are the UPS Server backups.

Line 52850 – DP Software- Lease Purchase (\$95,000): Of particular note was the sub-line of \$65,000 for Financial Software maintenance was discussed as to whether it belongs in the City Auditor's department. **Mr. Towne** said software maintenance is an accounting function, not an MIS function. He and the City Auditor had spoken about moving this to the Auditor's budget; however, software updates will still be coordinated through the MIS Department. **Kenny Costa**, City Auditor noted he had been working on the contract, and said it made sense agreeing with Mr. Towne. **Councilor McGeary** asked about moving towards Google-based documents and email.

He said this could obviate a lot of the license issues and suggested it be a topic for discussion when interviewing MIS Director candidates. He noted there might be an issue on the confidentiality of some documents held within the City and suggested it would be wise to review this sort of service change with the Legal Department.

Line 53180 – Data Process Services (\$27,720): The four sub lines were reviewed briefly.

Line 54230 – Paper/Form-Computer (\$1,300): This line item was noted is for paper for a printer which requires overlarge paper particularly for GIS maps.

Line 54240 – DP Supplies-Computer (\$4,000): This line item is for parts. \$10,000 was moved to another line item.

Line 57300 – Dues & Memberships (\$4,000): **Mr. Towne** described the four sub-lines to the Committee.

Line 58700 – Replacement Equipment (\$41,000): Two-thirds funding was put into the operating budget, and the last piece will come from Free Cash; and also server room equipment replacement, **Mr. Towne** said. There are some Comcast funds to assist in this. He briefly touched upon the server room issues in the City Hall 1st floor Council Committee Room with the Committee that has been lingering for some time now.

Councilor McGeary said that the Mayor’s proposed budget is \$392,565, \$21,176 more than last year’s budget; an increase of five percent, but is actually an 8.5 percent decrease or \$36,824 versus the actual to date spending on this department and includes some Free Cash allocation in FY13.

REVISIT: Department 155 - Line 52850 – DP Software-Lease Purchase (\$95,000) specifically the \$65,000 for financial software maintenance to determine whether to put in Auditor’s Department –Page 20

Personnel	\$ 173,145
Ordinary	\$ 178,420
Capital Expenses	\$ 41,000
TOTAL	\$ 392,565

Department 151 – Legal – Pages 15-16

Presenting the Legal Department’s budget was **Suzanne Egan**, General Counsel as follows:

Ms. Egan said that the department budget has essentially stayed the same as FY13. She noted the addition of the department’s part-time attorney whose salary is included. The legal consultation budget item is still available as a line item in the event the City needs higher, specialized outside legal counsel not within the her scope or that of her staff. She said she could not predict when and whether those funds will be needed. She noted the flexibility for the department to use outside legal counsel for specialized expertise is extremely important. The department continues to have a settlement out of court budget line item which is used throughout the year for unexpected incidents of City liability, whether for a claim that is outside of the City’s insurance part of the deductible or an employee issue, any type of claim against the City. A line item for contracted services was not funded for FY14.

Line 51100 – Salary/Wages Full-Time: This line is for General Counsel and the department’s paralegal’s salary.

Line 51250 – Salary/Wage-Part-Time Position (\$38,919): This line is for the part-time attorney’s who is eligible for some benefits available to her, but has chosen not to take them at this time.

Line 53140 – Legal Consultations (\$46,000): **Councilor McGeary** noted the department had asked for \$100,000 and the proposed budget is \$46,000. **Ms. Egan** said that with the part-time attorney in working in the department now will make up for a large part of the legal work that would have been performed by outside legal counsel.

Line 53800 – Witness Fee/Litigation Support (\$10,000): This line is for added support, be it a paralegal to cover during the department paralegal’s vacation, or additional support during a large litigation, or an expert witness for a case. However, with the addition of the part-time attorney and interns, this line is not necessary to increase for FY14, **Ms. Egan** said, noting this line is level funded.

Line 57300 – Dues & Memberships (\$15,000): On inquiry by **Councilor Cox**, **Ms. Egan** explained the legal department has a legal library that has to be updated frequently with any case that has come out and with statutes. There are periodicals that provide an overview of Mass. legal practice, which is updated frequently as well. This line also contains dues for staff professional organization memberships that provide additional information which helps the staff better represent the City. She noted BMI Music is a license the City is required to have if music is played in any municipal setting.

Councilor McGeary noted that the department request is \$321,271 which is 20 percent less than requested and 20 percent more than budgeted in FY13, but \$2,000 or one percent less than spent to date in FY13 which reflects the addition of the part-time attorney to the staff roster mid-year.

No revisits or adjustments.

Personnel	\$ 214,471
Ordinary	\$ 106,800
Capital Expenses	\$ 0
TOTAL	\$ 321,271

Department 138 – Purchasing – Pages 6-8

Donna Compton, Purchasing Agent presented the Purchasing Department’s budget as follows:

Line 52620 – Office Equipment Maintenance: This line did not have \$670 which would have represented a request for a new copier for the City Clerk’s office and was not funded. She said it would be an increase of \$624.92 per year because the first three years of maintenance are free. She noted two machines in the Clerk’s office now the

maintenance is carried by Purchasing (\$670) now. **Ms. Compton** said in other words, the end result would be that Line 52820 – Rent/Lease Office Equipment would have gone up by \$1,294.92 but Line 52620 – Office Equipment Maintenance would have gone down appropriately with the copier’s lease by \$670.

On inquiry by **Councilor McGeary**, **Ms. Compton** said that copiers in general are handled through her office. **Councilor McGeary** asked about any real advantages of economies of scale if the copiers were grouped together. **Ms. Compton** said the copiers are obtained through the state bid list and the City is charged on a per copy for copier maintenance which saves the City money in purchasing/leasing costs, and is not dependent on which department the copiers are in. **Mr. Towne** confirmed for the Committee the City obtains copiers at a very low price and was satisfied with the results. He suggested a savings could be realized by streamlining the purchase and storage of toners for printers through the IT Department which could see a savings especially if the City went with one brand of printer. **Ms. Compton** said for departments especially outside of City Hall at other locations, it makes more sense for those departments to control their own equipment and maintenance and not go through her department.

Councilor Cox said she would like to see some consideration for consolidation on leases and office supplies moving forward. Referring to Line 54220 for printed forms, **Ms. Compton** said the \$10,000 represents the copier paper used by all departments. **Mr. Towne** said from a department head standpoint, he has certain office supplies no one else in the City uses or can use, and there are other departments who have similar situations; and is just one of the reasons why centralizing supplies is not always appropriate. **Councilor Cox** clarified she was referring to pens, pencils, paper clips, etc., and was looking for a way to consolidate the purchases for City departments and do bulk buying.

Line 53480 – Advertising (\$27,000): **Mr. Towne** said **Ms. Compton** has pointed out there is more money needed for this line item. **Ms. Compton** confirmed last year this line item was pegged at \$32,000. The Gloucester Daily Times has been used more in FY13 due to timing issues for public hearings notices. The Times, she said, is more expensive for legal advertisements than the local weekly newspaper, The Cape Ann Beacon. **Councilor Cox** inquired why more ads do not go to the Beacon, and was informed by both **Mr. Towne** and **Ms. Compton** it has been a timing issue for some City Council public hearings as well as sheer volume due in some part to a major project permitting and loan orders, etc. **Mr. Towne** added by keeping focused on using the Beacon, and increasing this line item by 30 percent over last year, he said he felt it would be adequate. **Ms. Compton** noted the Board of Appeals uses this account frequently also.

Councilor McGeary noted that the Purchasing Department budget is \$300,996 which is \$16,000 less than the request of the department, but six percent more than last year and only one percent than the actual spent, which makes this a very tight budget.

REVISIT: Line 52620 (\$6,980) and Line 52820 (\$9,018) for new leased copier (\$1,294.92 yearly) for the City Clerk’s Department on Pages 6&7

Personnel	\$	134,368
Ordinary		<u>166,628</u>
TOTAL	\$	300,996

MOTION: It was moved, seconded, and voted unanimously to recess the meeting at 7:33 p.m. until June 3, 2013 at 5:30 p.m., Kyrouz Auditorium at which time the School Department Budget would be reviewed.

Respectfully submitted,

Dana C. Jorgensson
Clerk of Committees

DOCUMENTS/ITEMS SUBMITTED DURING THIS PORTION OF THE MEETING: None.

REVISITS:

- Dept. 121, Line 51944 – Sick Leave Incentive (\$300), Page 2
- Dept. 138, Line 52620 (\$6,980) and Line 52820 (\$9,018) for new leased copier (\$1,294.92 yearly) for the City Clerk’s Department, Pages 6&7
- Dept. 145, Line 59100 Long-Term Principal/Debt Service (\$8,039,277), Page 13
- Dept. 145, Line 59150 (\$2,051,070), Page 13

Dept. 152, Line 51750 – Personal Services: Employee Health Insurance (\$5,145,799), Page 17

Dept. 155 - Line 52850 – DP Software-Lease Purchase (\$95,000) specifically the \$65,000 for financial software maintenance to determine whether to put in Auditor's Department –Page 20

REQUEST FOR INFORMATION:

From **Mr. Towne** a spread sheet showing backup to Treasurer/Collector debt expense details that support the budget request for Dept. 145 for both debt principal, and debt interest - long term

DRAFT

CITY COUNCIL STANDING COMMITTEE

Budget & Finance

Monday, June 3, 2013 – 5:30 p.m.

Kyrouz Auditorium – City Hall

FY13 BUDGET REVIEW #8 – SCHOOL DEPARTMENT

Present: Chair, Councilor Paul McGeary; Vice Chair, Councilor Joseph Ciolino; Councilor Melissa Cox
Absent: None.

Also Present: Kenny Costa; Dr. Richard Safier; Hans Baumhauer; Jonathan Pope, Val Gilman; Kathy Clancy; Tony Gross; Melissa Teixeira

The meeting reconvened at 5:38 p.m.

Tab 3 – Schools Budget: Superintendent of Schools, **Dr. Richard Safier** presented the Gloucester Public Schools FY14 Proposed Operating Budget with commentary accompanied by a Power Point presentation to the B&F Committee which was placed on file:

Basis for School Department Budget: The FY14 Proposed Level Service/Critical Needs Budget was described as designed to support the many programs and initiatives facing the district; mandated, need-generated as considered essential which all the require infrastructure to support them (i.e. staffing).

- There are staff requirements to meet student needs especially in Special Education (SPED), which have not been included in the FY13 budget. To date these needs have not been included in the FY14 budget.
- There has been an influx of students to the district. Prior to January 2013 there were 20 students that came from the Charter School. In January 2013 there was a mass influx of students from the Charter School of approximately 100 students, many of whom have individualized education plans (IEP's). Now the district is facing another influx of students with the closing of St. Ann's School (K-8). Currently the district has had 38 inquiries from St. Ann's parents. Last year St. Ann's had 88 students enrolled.
- There are anticipated reductions in state and federal grants to the district.
- An increase in medical insurance costs was noted.
- The district has been encouraged to seek a multi-year contract with the unions; the collective bargaining process will impact the budget also.

Dr. Safier reviewed the goals for academic programming supported by the FY14 budget: The district seeks to ensure quality academic programming; optimal class sizes to support effective instruction in all schools; provide the staffing to support individual and systemic needs; and the integration of technology into instruction. The goal is to provide coherence to curriculum, instruction and assessment; and foster continuous improvement for the district.

He said the challenges of the proposed FY14 budget include: The need to provide resources to offset new expenses; jointly fund multi-year contracts and provide any support of additional educational spending.

District FY14 Educational Requirements are:

- Math Coordinator for grades Kindergarten through 8. Proficiency in mathematics is an area in which students are weak, **Dr. Safier** said.
- An additional math coach, K-8 (two math coaches are employed currently)
- District information technology technician. The state recommends a ration of one technician per 100 per computers. Currently, the district has one technician for 433 computers.
- A coordinator for K-8 Curriculum Instruction and Assessment. **Dr. Safier** expanded the explanation for this position saying that the district needs to meet needs-generated mandated initiatives and briefly reviewed them with the Committee. He said the district needs help as there is much work to be done in data collection and analysis, assessments and district determined measures; model evaluation system; unit development; common core alignment. Special Education has a number of initiatives also which also require facilitation. He noted through the Race To The Top federal grant program is putting a great emphasis on English language learning instruction.

Middle School needs were noted has being partly driven by the increasing size of the incoming sixth grade:

- O'Maley special education teacher
- O'Maley Massachusetts Comprehensive Assessment System (MCAS) intervention teacher
- Grade 7 Math/Science teacher
- Grade 7 English/Social Studies teacher
- Writing Consultant (previously funded by the Gloucester Education Foundation)

Elementary and Preschool:

- Plum Cove – increase in Special Education services
- Beeman – addition of a Grade 4 teacher
- District attendance officer. It was noted at one of the academically challenged elementary schools, over the past five years on average 46 percent of th students have been absent more than 10 times per school year.
- Preschool nurse (an increase from half time to full time)

High School:

- GHS Reorganization (Reorganization comes at no increase to the FY14 budget)
- MCAS Coordinator
- School Resource Officer
- IT Integration Specialist (educational)
- Pilot Program in Technology

Comparison of City and School FY14 Budgets:

The budget figure the City is working off of is last year’s approved budget in June of \$35,398,751. The increase to that budget at present is \$1,000,000 taking it to \$36,398,751. However, there are the increases to the FY13 budget of \$1,018,671. The district received \$378,418 in Free Cash for staffing (SPED, e.g.). **Dr. Safier** noted these are in-place staff positions that must carry over because of student needs next year but were not built into the base of the FY14 budget by the City.

Dr. Safier reminded the Councilors that earlier in the year there was \$75,000 for athletic and transportation. This is not added into the FY14 budget. It was from Free Cash and not also built into the base FY14 budget. There is \$89,243 for anticipated 5 percent federal and state grant reduction to the district. Educational needs above level service are \$821,270. This brings the School Department FY14 total budget of \$37,706,353. With the \$1,000,000 already indicated, there is still \$1,307,302 still to be cut from the proposed FY14 school budget.

Councilor McGeary asked **Dr. Safier** to confirm that the School Department increase would be \$2,307,302 over the FY 13 budget if the department’s budget were fully funded. **Dr. Safier** agreed, saying it was based upon the approved budget of June 2012.

Dr. Safier then presented what the department says is the minimum need for level service as follows:

\$1,018,671	Increase to FY13 Budget
378,418	Free Cash
75,000	Athletic/Transportation Fee Subsidy
<u>89,243</u>	Federal Grant Reduction
\$1,486,407	Needed for Level Service

NOTE: Examination of the city budget after the meeting determined that the \$75,000 for Athletic/Transportation Fee subsidy is in fact in the city budget under Dept. 992 (Transfers to Other Funds).

City/School Dept. Comparison: \$378,418 Free Cash for Staffing was noted that the staff additions are implicitly carry over expenses for FY14 but were not built into the base upon which the FY14 city budget was constructed. The added staff includes additional elementary paraprofessionals; a preschool teacher half time to full time; additional SPED (tutor hours); Additional SPED (speech pathologist hours); SPED Out Of District (OOD) placements; State 9C cut to Circuit Breaker; Funds Reserved for Negotiations all total of \$378,418. This was the basis for the Free Cash request from the district in FY13. These are recurring expenses and is staffing for the SPED population and negotiations.

FY14 Major Increases include a negotiated cost-of-living allowance (COLA) of 2 percent in FY14, SPED-Tuition for out of district placements (additional more than paid last year plus a 3 percent increase); health insurance increase of 3.89 percent; curriculum materials district wide; transportation – athletic transportation, fuel, supplies; textbook replacements, IT hardware repairs and equipment and miscellaneous accounts.

Sources of Lost Funds are federal grants (estimated 5 percent loss); Gloucester Education salary funding of \$20,000 and Tower Grant Funding of \$22,000 for a total loss of \$131,243 in funding.

Additional Expenses after free cash were noted.

Offsets to FY14 increases have been incorporated into the \$1,018,671 which includes retirements, professional development, curriculum supplies and personnel changes totaling \$452,715.

Grant Reductions: Title I, Special Education Grant (240), and Miscellaneous (on file) all total \$89,243 in reductions.

New Requests – Educational needs above level service if cutting \$1.3 million will not make it into the budget in FY14, staff all mentioned previously above, **Dr. Safier** said. He restated the positions mentioned earlier for the middle school, elementary school staff, high school and preschool staff positions as well. There is also a need for a “Skillful Teachers” course for new teachers to the district over a three year period to strengthen classroom instruction. It was also noted that the district wants to raise the professional development reimbursement to \$30/hour which has not been raised since 2001. Those positions plus benefits (health insurance for new positions) total \$821,270.

Proposed reductions by School Department are \$1,307,702. The district has prioritized the cuts into three tiers. Tier I are the first cuts which consists of: health insurance which was able to be lowered by \$100,000 due to negotiations taking place; the IT specialist of \$67,433; reduction of German World Language from six-tenths of a position to two-tenths of a position; SPED, tuition pre-pay \$200,000; O’Maley SPED teacher \$80,666 and O’Maley Grade 7 Teachers (2) \$129,456 Tier I totals \$590,670 from the overall total to be reduced. Tier II constitutes \$365,104 in staffing and Tier III is Bay State Reading Institute (BSRI)/Staff reductions.

The increase the City has offered is \$1,000,000 which comes to a FY14 Budget of \$36,398,751. **Dr. Safier** said the net figure the School Department feels is needed for level service is 1,486,407. There are the additional educational needs of \$821,270 which brings the FY14 School Department proposed budget to \$37,706,353.

QUESTIONS BY THE COMMITTEE:

Councilor McGeary asked for definitions of need-generated and essential programs. **Dr. Safier** said for example when there is a very low performance in MCAS math; there is a need to find means to address the problem. Currently there is no math coordinator or enough math coaches, which are fundamental positions the district requires, and so is considered needs based.

Councilor McGeary asked in absorbing Charter School students into the district and said he understood there are a significant number of those students who have IEP’s. He asked for a characterization of the spectrum of needs. **Dr. Safier** said a lot of the needs are academic, particularly in mathematics which is why there is a need for a MSCS intervention teacher at the middle school; the need for a SPED teacher at the middle school is driven by the numbers of students from the Charter School that are on IEP’s. There are those with moderate learning disabilities and a gap of math knowledge amongst the group, and some concerns in literacy as well. At the elementary school, **Dr. Safier** said, there are a small percentage of those students who will need paraprofessional assistance for behavioral as well as academic needs.

Councilor McGeary asked if it was true a charge that would have been assessed against the city of more than \$2 million on Cherry Sheet aid from the state had the Charter School remained open is now not being assessed against the City which **Dr. Safier** confirmed. **Councilor McGeary** asked then if it was reasonable to suspect that the reason the state was going to charge the City was that is what it would have cost to educate those children which **Dr. Safier** also confirmed but cautioned that was \$2 million based on 130 students at the Charter School. The City is receiving an increase to the FY14 budget of \$1 million for almost 3,000 students. **Councilor McGeary** said he understood not all 130 students would be absorbed into the district, but suggested a significant portion would in addition to whatever students choose to enroll.

Councilor McGeary asked about the technology ratio as it relates to the requested staff position of IT technician. **Dr. Safier** reiterated that the state says there should be one IT technician for every 100 computers in the district; but there is now one IT technician for every 433 now.

Councilor McGeary noted the new teacher evaluation process and asked how labor intensive the evaluation process is. **Dr. Safier** described a lengthy and very involved process for evaluations of teachers including four observations by an administrator for each new teacher. The work, he said is substantial; the concerns are sensitive; but there is more that is in the process for teachers to make sure they have it right and administrators as well, an enormous task at the least. **Councilor McGeary** agreed this was a significant increase in work volume, and suggested teachers will be expecting to be paid to do the work, with which **Dr. Safier** agreed. **Councilor McGeary** asked a percentage increase or estimated hours of the person being evaluated. **Dr. Safier** said it is substantial and a moving target. This is a mandated requirement, he noted, and involves the Race to the Top program also. The benefits are that some funding that allows for a host of initiatives, he added.

Councilor McGeary mentioned the need pointed out for additional teachers at the middle school yet those positions are also listed as part of the Tier II cuts. **Dr. Safier** said those are the educational requirements above the level spending piece. The average would be 25 students per class but it doesn’t always average out. The risk is having classes of 28 or 29 students, he said. **Councilor McGeary** said math and science at the middle school level also include lab class work which **Dr. Safier** confirmed.

Councilor McGeary pointed out the staff position of a Grade 4 teacher at Beeman, asking at the front end in Grade 1 is the population being consistent or could classes be sectioned differently. **Dr. Safier** said unless the birth rate is changing dramatically, over the next three years, Beeman by end of 2014 will be two sections K-5. **Dr. Safier** did say there is an anticipated reduction in enrollment through 2017 district wide but not enough to affect staffing.

Councilor McGeary then asked about the 5 percent reduction in federal grants. **Dr. Safier** said the impact of Sequestration is unknown at this time; over the last four years the district's grant funding reductions has been 4 to 5 percent and expects this will be an on-going annual trend.

Councilor McGeary spoke to the FY13 Free Cash additions, said that it was clear when those funds were expended, about \$378,000, of the \$600,000 that those were real teachers that would be here, and was reasonable to project that those teachers and paraprofessionals once they were built into the system would be a continuing part of the system's staffing. **Dr. Safier** agreed and said students may graduate but that is one class of seniors. There may be special education costs associated with the graduating class but it is nowhere near the costs of students who are still coming up through all the grades.

Councilor McGeary asked about FY14 major increases, noting health insurance increases of \$304,371 that in Tier I cuts the health insurance would decrease by \$100,000 coming off the top so that number would decrease to \$204,371 which **Dr. Safier** confirmed. **Councilor McGeary** asked if that contemplates a move to the GIC or happen without it. **Dr. Safier** said the figure was an increase of about 3.89 percent and is based on that anticipated increase. The \$100,000 cut is based on that figure, he said.

Councilor McGeary noted additional expenses after Free Cash included in the base, and asked how those positions were paid for. **Dr. Safier** said when the district received the Free Cash some of the funds went into that account, and the district used the monies to pay for those positions. **Councilor McGeary** said it could be said that with money in the contingency account that it could be said that it was not known it was a recurring expenses. **Dr. Safier** said in the preliminary budget preparations, the district has always sought to put \$350,000 into contingency and for the last year or so it has been about \$186,000.

Councilor McGeary asked if the personnel changes amounting to \$161,738 included staffing changes like a senior teacher retiring and a junior teacher comes in and reflects that spread. **Dr. Safier** said there were a couple of positions that had been funded and not filled and were identified.

Councilor McGeary asked for an explanation of the change from six-tenths to two-tenths of a full-time position for a foreign language teacher position. **Dr. Safier** said the number of students enrolling in the German language has dropped dramatically, and that next year in order to protect juniors and seniors in the high school, the district will run one course in German. The other student numbers are coming in extremely low for enrollment in German as a World Language and are being advised to go into other languages.

Dr. Safier talked about the BSRI program in the Tier III cuts at the request of **Councilor McGeary**. He said this is for a research-based literacy program through a turn-around agency, which provides coaching that works with the principal and reading coach which is required. The program has been at the Beeman School for three years now. The key is to integrate the district best practices with the demonstrated research data through BRSI; reading improves literacy which also improves math. This is a multi-year process; a structure is provided by BRSI and help to identify students reading at level (CORE) and students who are falling behind grade level. This helps the schools find the issues and find common research based practices that prove out to pay dividends for the students.

Councilor Ciolino asked for an update on the school lunch program and how it is working. **Dr. Safier** responded there is an unpaid debt issue, excluding families on free lunch program, in excess of \$60,000 at this time. There is difficulty, he said, with payment, even with the Point of Sale (POS) system. It has reached a point for those parents who owed in excess of \$250 that the district went to small claims court in order to induce payment to the district. Some families have paid what they owed, but the debt is considered astronomical. **Hans Baumhauer**, Director of Finance and Operations said the program is running in the black, however. There is \$20,000 on the books, but there should be \$80,000 (adding in the \$60,000 in uncollected debt). This becomes a timing issue, he said. Federal reimbursements for the food service program run one month behind and inventory has to be purchased for the start of the school year in August. But he said this account is in good shape. **Mr. Baumhauer** noted that the debt collection is being focused on to get the account where it should be, about \$60,000 for the start of the school year. **Councilor Ciolino** said the expectation is running the Point of Sale food service in the black but there will be debt. **Mr. Baumhauer** said by law he cannot run the program in the red. He said the district is trying their best to collect as much as possible of the funds currently uncollected. **Dr. Safier** said the families in question can afford to pay for the lunches but have not.

Councilor Ciolino asked about the iPad program for district teachers. **Dr. Safier** said iPads are \$500 each and about 82 teachers have signed up to buy them. The district is looking to using automatic withdrawal from

paychecks to allow the teachers to buy the iPads over three years. Another alternative is to use low-cost laptops called Chromebooks. For \$200,000 all the high school teachers could be outfitted with Chromebooks. Chromebooks, he noted, are less expensive, and the district would purchase them outright. **Dr. Safier** noted if the district offers lease to purchase it would be the teacher's choice whether to buy a laptop or iPad. The district is looking at how to arrange for all students to have computers and what would be the best tool for them.

Councilor Cox asked Dr. Safier to confirm that 46 percent of students miss school more than 10 days per year. Dr. Safier said that on average over five years that percentage was correct. An attendance officer was a priority based on this information. **Councilor Cox** asked how many days can be missed without holding back a student. **Dr. Safier** said the district has not attached retention to attendance. There is a much more stringent attendance at the high school now. There is a new attendance policy at the elementary level as well. If on the elementary level lack of a student's attendance reaches to a serious concern, he noted, then the district could contact the Department of Children and Family Services.

Councilor Cox asked about correlating Tier I and Tier II cuts with the FY14 new positions to take the district to level service. **Dr. Safier** said that the Tier cuts for the most part are those that are above level service. With the exception of the health insurance, Tiers I-II, each position is on the list of educational requirements above level service. The level service figure, \$407,600, is mostly for special education positions to meet IEP needs for students.

Councilor McGeary commented level service is not level funding. **Dr. Safier** agreed. That level funding would be, "disastrous." **Councilor McGeary** asked whether all the cuts in Tiers I, II and III could be absorbed without laying off current staff. **Dr. Safier** said that was so. He added that the district still has \$351,828 that has not been accounted for. If \$1.3 million has to be cut from the district's FY14 proposed budget, Tier III cuts are to existing positions and programs, Tiers I and II are cuts to educational requests above the existing budget. **Councilor McGeary** said there was still a gap. **Dr. Safier** said the Tiers are in order for cutting but for reinstating it would start from Tier III and move to Tier I. **Dr. Safier** spoke about \$378,418 in Free Cash appropriations made to the School Department in FY 13, of which \$248,000 was used for staffing. For needs above the Free Cash, all of those were hired this year through the contingency account and Free Cash; those positions and the students aren't going away, he noted. **Councilor McGeary** commented that if the district wants to maintain the level of service to an individual student this is just to maintain the staffing it would take to do that given the influx of Charter School students and the anticipated influx of students from the closing of the St. Ann's school.

Councilor McGeary said if the \$60,000 owed for school lunches was not collected, what would get the program to September; and **Mr. Baumhauer** said a minimum of about \$30,000 was needed and if that is not reached the deficit in the revolving account would be made up from other areas of the budget. It was noted that the price of school lunches follows federal guidelines that called for approximately 10 cents a year increases in the price of school lunches. **Dr. Safier** said the district is not looking to raise the price of school lunches. **Councilor McGeary** observed that those who don't pay are penalizing children one way or another by raiding the schools' General Fund. **Dr. Safier** confirmed again that those who owe money to the lunch program are not on free or reduced lunch.

Councilor McGeary said the federal and state government have cut back on their support of the schools, but that these are the City's children and are the City's future. The City has an obligation to the future, which, he said, is a thought he will take that thought to heart in his deliberations on the budget and asked his fellow Committee members to do likewise.

REVISIT: Tab 3-School Department, Bottom Line Budget (\$37,706,241)

Tab 3-School Department

Ordinary	\$11,893,637
Salary	<u>\$24,338,862</u>
Total	\$37,706,241

RECESS: The Committee recessed their meeting at 6:54 p.m. until Tuesday, June 4, 2013 at 6:30 p.m., at which time the Enterprise Funds including the Talbot Rink, and Water and Sewer Rates will be reviewed in the City Council Conference Room, City Hall.

Respectfully submitted,
Dana C. Jorgenson
 Clerk of Committees

DOCUMENTS/ITEMS SUBMITTED AT MEETING:

- **The Gloucester Public Schools School Committee Proposed FY2014 Operating Budget from Hans Baumhauer**
- **The Gloucester Public Schools FY2013 Budget Adjustment Report and FY2014 Level Service Budget Proposal, from Mr. Baumhauer**

REVISITS:

- **Tab 3-School Department, Bottom Line Budget (\$37,706,241)**

DRAFT

CITY COUNCIL STANDING COMMITTEE

Budget & Finance

Monday, June 4, 2013 – 6:30 p.m.

1st Fl. Council Committee Room – City Hall

FY14 BUDGET REVIEW #9 – Enterprise Funds: Water, Sewer, Talbot Rink, Water & Sewer Rates

Present: Chair, Councilor Paul McGeary; Vice Chair, Councilor Joseph Ciolino; Councilor Melissa Cox**Absent: None.****Also Present: Kenny Costa; Mike Hale; Mark Cole****The meeting reconvened at 6:32 p.m.**

Presenting the Water, Sewer and Talbot Rink Enterprise Funds and water and sewer rates was **Mike Hale**, DPW Director and Mark Cole, Assistant DPW Director as follows (found under Tab 5):

Department 440 – Sewer – and Sewer Rate, Page 1-13

REVENUES:

Mr. Hale said due to sewer infrastructure debt moving from short- to long-term debt which is a change in the expense budget, and so there would need to be an increase in the sewer rate. Sewer expenditures of \$7,215,358 are expected for FY14, up by \$800,000 which is the driver for the rate, he said. The rate is now \$11.31 and is projected to move to \$12.21 representing a 10 percent increase. There are fewer sewer customers than water customers, **Mr. Hale** noted. Therefore, consumption was modified to be more in line with what is actually billed out.

Line 42200 Revenue-Utility Fixture (\$15,000): It was noted there were two entries for this Line, with one reflecting FY13 and another line with the same line number reflecting FY14. In the Enterprise Funds section in Tab 5, each fund has similar line entries.

Line 42100 Revenue-Metered Utility Service-FY14 (\$6,477,358): The metered utility revenue, as noted by **Councilor McGeary**, was going up \$700,000 from \$5,775,394 in FY13. **Mr. Hale** said this represents the sewer consumption or use. More revenue is anticipated because of the projected rate to accommodate the expense which is driven by the debt.

Councilor Cox discussed the basics of billing for water and sewer and calculations of consumption with **Mr. Hale**. A company which tracks water and sewer rates statewide shows Gloucester's sewer rate is not the highest rate in the state, but is in the top 20 percent. A lot of communities, **Mr. Hale** said, are grappling with their rates. He gave the example of the town of Sturbridge which is facing an 83 percent increase in the sewer rate, and is not alone in its rate dilemma. He pointed out that Gloucester CSO's was removed from the sewer rate.

Mr. Hale said there is a \$20 million bond coming onto the sewer fund, and there are more serious funding requests to come forward related to the entire City's waste water needs. These needs will be prioritized and then be fitted into the bonding with an eye to prevent the sewer rate skyrocketing. The infrastructure plan will be presented to the CIAB, he said, and is a major undertaking; something the City will enter into with the state and federal governments' blessing. The City will tell them what it will do based into the City's priorities. Presenting a prioritized plan for sewer infrastructure to government regulators is a new concept for smaller communities, done mostly only in big cities at this time. This concept may allow the City to determine its own destiny with secondary treatment, and is part of the City's counterproposal to the Environmental Protection Agency (EPA). **Councilor McGeary** asked why this may obviate the need for secondary treatment. **Mr. Hale** said currently the EPA says if the City doesn't meet particular criteria, the City has to do something specific to fix the situation. The EPA focuses on the bigger ticket items. The Clean Water Act looks at the cost effects of changes, and is viewing Gloucester as an average sized community with an average sized budget and, he pointed out, is looking to improve that relationship. This gives the City, he said, a capital plan that is desired for the long-term by adding in the finance piece so that the rate can be viewed with some predictability. Green construction could be included in this plan, he said. Another innovation mentioned by **Mr. Hale** that could be included in such a plan may be the ability to have neighborhood treatment plants. The cost benefit of dragging a trunk sewer line to outlying areas of the does not pay for itself.

Councilor McGeary asked when the bond rating agency, Moody's, looks at the City for rating purposes, is this sewer bonding considered as part of the City's overall rating or is it separate. **Mr. Costa** said the bond rating

agencies look to see if the enterprise fund is self-supporting; at the overall debt of the fund; and what retained earnings (Free Cash) there are; all of which equates to a positive. The Mayor, he said, has talked to Moody's and Standard & Poor's (S&P) about the City's boil water order and the stormwater separation order. The rating agencies have heard the City talk about these things and like what they're hearing – that the City is acting proactively, he said. This is considered an obligation of the City as opposed to the sewer obligation. **Mr. Costa** added if the water and sewer Enterprise Funds can't be self-supporting; the Funds will have to be supplemented from the General Fund. He pointed out the state's Department of Revenue wants to see this as well. **Mr. Hale** said going into FY09 there was a situation where the water and sewer Enterprise Funds were not self supporting. There currently are small retained earnings in the Funds: \$1.4 million in sewer and \$1.3 million in water relative to the assets they serve. He noted two projects funded with Retained Earnings for \$500,000 for sewer work in the Commonwealth Avenue area, and \$500,000 for water main work in Annisquam. Those projects funded from Retained Earnings did not cover the extent of the projects. **Councilor Cox** noted that the City's sewer rate is lower than the neighboring community of Rockport.

Line 43221 Revenue-Septage Fees (\$100,000): This is a set fee and which remains fairly flat. **Mr. Hale** noted the waste water treatment plant was down for late-end Phase I work, and pump trucks and RV's who normally off load septage that normally would have been accepted at the City's plant was turned away because of the plant upgrade work, and with it, lost revenue. The plant is now capable of accepting more septage, he said. The plant has undergone two phases of work totaling \$20 million in upgrades, and the septage receiving area was an add-on upgrade after the plant work was completed.

Line 51100 – Salary/Wage-Full Time (\$890,688): There are no new personnel for FY14, and salaries have been adjusted to reflect contract settlements. Personnel are divided between water, sewer and public service. Street sweepers are paid out of here because the street sweepers are keeping catch basins clean, for example, it was noted. Personnel is 2 percent over actual.

Mr. Hale said the contract with Veolia who runs the waste water treatment plants is a large expense and has a standard annual increase and is a five year contract. Once the plant work is completed it may be less expensive to operate. When the contract goes back out for proposals, he pointed out providers will be bidding on an improved facility which should allow for the contract perhaps to come in lower. Routine and preventative maintenance is underfunded, **Mr. Hale** pointed out compared to industry standards. For \$50 million in net plants assets, spending \$75,000 in sewer and water annually on routine maintenance is low, he said. In the \$2 million contract is \$75,000 of routine preventative maintenance divided into twelfths. **Mr. Hale** commented that Veolia is an excellent operator, and said he couldn't recall when the plants had ever been run so well and efficiently.

Line 52000 – Contracted Services (\$199,000): **Mr. Hale**, responding to an inquiry by **Councilor Cox** said the department asks for engineering services to be on call to satisfy some procurement issues to be able to expedite emergent repairs. He gave the Committee some examples of what engineering services are needed and the variety of engineering disciplines that are called for, reiterating that the contracts that are in place is essentially for pre-procurement.

Line 52450 – Sewer Equipment Maintenance (\$2,889,000): **Mr. Hale** reviewed that this line funds the maintenance of the 29 pump stations around the City. **Mr. Hale** also reviewed with the Committee the department computer systems that allow the stations to be monitored and viewed, and touched on security of the facilities.

Line 53450 – Postage (\$16,000): The postage is for sewer billing.

Line 57330 – Assessments (\$15,000): **Mr. Hale** explained that assessments are included in the budget. This line item represents funds for any penalties incurred. There has only been one very small assessment during FY13 he noted.

Line 59100 – Long Term Principal/Debt Service (\$1,252,726): This is plant work that went from short- to long-term debt, **Mr. Hale** said.

Councilor McGeary noted Ordinary is going up \$888,000 which has to do primarily with indebtedness which is a 19 percent increase in Ordinary. He asked what Free Cash (Retained Earnings) is anticipated for FY14. **Mr. Costa** said the year is not over yet and is way too early to make that kind of projection. Last year's Retained Earnings, **Mr. Hale** said, came from budgetary items unspent and higher revenue than anticipated due to usage. The rate is predicted based on anticipated usage. Speaking of the main and line work done relative to the Newell Stadium renovations, **Mr. Hale** showed the Committee examples of collapsed pipe drains due to age in the Gaffney Street area submitted for the record. Gaffney Street lines now will have to be done which was driven by work done in the Hamden Hill area because of the Newell Stadium renovation where it was discovered there was a negative pitch to the sewer lines.

Councilor McGeary asked what oversight there is on contractors working on CSO and other sewer and water projects. **Mr. Hale** said the contractors work for a consultant that works for the DPW. The consultant does the supervision in consultation with him. The City has its own inspector who oversees the projects as well and liaises with the residents in affected neighborhoods.

Line 58215 Mayor-GIS Enhancement (\$80,000): This is related to the technology to update the GIS system. **Mr. Hale** said this technology is a very valuable tool for the department while in the field to be able to pull up GIS maps on the department tablet computers in order to view current plans.

Line 58700 – Replacement Equipment (\$9,895): It was noted that a forklift was taken out of this line item (\$65,000).

Councilor McGeary said the total for the Sewer Enterprise Fund revenues is \$7,215,358 which is 4 percent over the FY13 actual to date.

Personnel	\$1,505,580
Ordinary	\$5,494,783
Capital Expense \$	<u>89,895</u>
	\$7,090,358

REVISIT:

Department 440, Revenues (\$7,215,358) total, page 2

Department 450 – Water – and Water Rate, Page 14-26

Mr. Hale indicated there was a very slight water rate increase this year to cover expenses absorbed by the Enterprise Fund, most of which is principal and interest. It was noted that revenues for metered utility service is broken into separate lines by year. He said total revenues of \$7,221,117 represent an increase in the rate from \$9.07 to \$9.17; considered to be a zero percent increase. **Mr. Hale** pointed out that the rate is reasonably stable because some of the repairs for the water infrastructure have not yet hit the rate. **Mr. Costa** said it takes several years before the notes go long term.

Councilor McGeary noted it is about \$6.4 million in revenues from metered water usage. He discussed with **Mr. Hale** how the City bills for water rates, currently done at a flat rate and other methods that could be used for billing and also discussed aging water meters and whether it is cost effective to replace them. It was noted by **Mr. Hale** that an aging industrial water meter can be off by as much as \$18,000 per month. There are 20 or 30 aging industrial water meters City-wide. The rate of return, although it costs \$6,000 to replace an industrial meter, is only six months, and would give the City a better accounting for the water usage rate. He pointed out that state wants to know what the City draws from its reservoirs annually and is another reason water usage has to be accounted for which are two critical reasons to know as accurately as possible what the City’s water usage is.

Councilor McGeary said in terms of repairs to the two plants, he asked what the life expectancy of the plants is. **Mr. Hale** said it is 20 to 25 years with preventative maintenance.

Line 42200 – Revenue for Utility Fixtures (\$36,000): **Mr. Hale** said there are a number of buildings in the City that have a fixture rate, not meters, which represents less than 100 buildings (summer residences, trailers).

Mr. Hale had a general conversation with the Committee on Personnel briefly noting like sewer the Personnel is essentially unchanged.

Line 53100 – Engineering/Architectural Professional Services (\$20,000): Expenditures on this line continue to be zero and would fall to the fund balance if unspent in FY14.

Councilor McGeary noted the debt request was \$6,094,064 and the final FY14 total was \$5,175,518.

Line 58215 Mayor –GIS Enhancement (\$80,000): **Mr. Hale** gave an overview of the GIS process and use of the maps and their archiving which is funded by this line. This is all man hours.

Councilor McGeary said the total for Department 450 is \$7,215,318 bottom line, an increase of less than 1 percent. Compared with the actual spending to date in FY13, it is actually down by \$492,000. There is still some time to run in FY13.

No revisits or adjustments.

Personnel	\$1,690,704
Ordinary	\$5,175,518
Capital Expense \$	<u>229,895</u>

TOTAL \$7,096,117

Department 475 – Talbot Rink – Page 27-30

Additional commentary was provided by **Mark Cole**, Assistant DPW Director along with **Mr. Hale** as follows:

Line 43101 – Revenue-User Charges (\$279,000): The reason for an increase in Revenue-User Charges is due to effective scheduling of ice time and other infrastructure improvements within the Talbot Rink during FY13, according to **Mr. Cole**.

There is an anticipated 8 percent increase in revenues, **Councilor McGeary** noted. **Mr. Hale** said the rink will close with the end of the school year and usage has dropped off and will resume at Labor Day with a big tournament. The rink is pretty much full, he noted. Youth hockey groups take up a great deal of the ice time September through April. There is no shortage of asks for ice time, **Mr. Hale**. He said if there were more hours during the regular work and weekend day that are saleable, he could sell the ice time but there are none. He noted revenues are steady, he said. **Mr. Hale** enumerated the upgrades to the rink since the DPW took over the rink’s operation: All new boards and glass; new condensers; new dehumidification system that has kept the rink completely dry, and new hot water heaters on its own zone, metered separately from the school. There is also a new Zamboni. The rink over two years had \$118,000 in Retained Earnings which was turned directly back into rink improvements. **Mr. Costa** indicated those Retained Earnings could be viewed more as a contingency fund.

Line 51200 – Salary/Wage-Temporary Position (\$73,666): **Mr. Cole** noted there are seven or eight part-time employees who can drive the Zamboni, and also kids who are hired for the public skates. It was noted there is only one full-time employee of the rink.

Line 52000 – Contracted Services (\$16,000): This is for a service contracts for the rink systems and the Zamboni.

Line 58410 – Land (\$14,715): **Mr. Hale** said the lobby floor has been patched and will now all be ground down and have a new epoxy layer put down which will make it safer and easier to clean.

Councilor McGeary pointed out the rink has become self-supporting, adding the rink is breaking even and that everything can be tracked accurately. **Mr. Hale** said perhaps next year the rink should consider a rate hike. **Mr. Cole** said he has about \$30,000 left to collect for this year from two men’s groups. A youth hockey group owes a couple of months but the checks are on the way, he said. **Mr. Hale** pointed out excellent condition of the rink to the Committee. **Councilor Ciolino** said the rink is finally running well thanks to Mr. Hale and Mr. Cole.

No Revisits or Adjustments.

Personnel	\$159,744
Ordinary	\$112,546
Capital Expense	\$ 30,215
TOTAL	\$302,615

Councilor McGeary noted that the previous evening when discussing the School Department budget, the Committee neglected to verbalize placing the department’s bottom line budget a revisit and asked for a vote from the Committee to confirm it.

MOTION: On motion by Councilor Cox, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed to put the School Department Bottom Line Budget for FY14 on for a revisit.

MOTION: It was moved, seconded, and voted unanimously to recess the meeting at 8:36 p.m. until Wednesday, June 5, 2013 at 5:30 p.m., to review the Revolving Funds, Assessors and Auditor’s Departments Budgets and Revaluation in the 3rd Fl. Committee Room, City Hall.

Respectfully submitted,

Dana C. Jorgenson
Clerk of Committees

DOCUMENTS/ITEMS SUBMITTED AT MEETING:

- Six images of Gaffney Street lines taken by DPW Director

REVISITS:

Department 440, Revenues (\$7,215,358) total, page 2, specifically the indebtedness

DRAFT

CITY COUNCIL STANDING COMMITTEE

Budget & Finance

Wednesday, June 5, 2013 – 5:30 p.m.

3rd Fl. Committee Room – City Hall

FY14 BUDGET REVIEW #10 – Revolving Funds, Revaluation, Assessors’ & Auditors’ Departments

Present: Chair, Councilor Paul McGeary; Vice Chair, Councilor Joseph Ciolino (entered meeting at 5:35 p.m.); Councilor Melissa Cox

Absent: None.

Also Present: Kenny Costa; Nancy Papows; Hans Baumhauer

The Meeting reconvened at 5:30 p.m. Agenda items were taken out of order.

Revaluation: Dept. 994 – 101000 General Fund - See Assessors’ Department below for discussion points.

Revolving Funds:

Mr. Costa reviewed Revolving Funds for the record. He told the Committee that the authorization of the funds by the City Council is required each year for the city and schools. Funds are designated for a specific purpose with money going into a fund and being spent from the same fund for designated purposes. There is a spending cap/limit in each fund and if a department is in need of further funding, that department can come back to the City Council to request an amendment of the spending cap/additional funding. If the annual authorization of the Revolving Funds by the Council is not made, the funds close automatically, and any remaining monies fall to the General Fund bottom line by state law. The only other reason a fund would close is if the program for which it was set up ceases to function for its intended purpose. Mr. Costa pointed out the School Lunch Program Revolving Fund differs in that it is based on estimated receipts. For the Food Service Program receipts are estimated for \$1.1 million and that figure is what the budget is based on. The spending limit is the budget. He said it was authorized under a different section of MGL from the City Revolving Funds.

Mr. Baumhauer and Mr. Costa further discussed the School Lunch Program Revolving Fund with the Committee and said if there is an outstanding debt in this account; money comes out of the school appropriation budget to cover a deficit. If the account appears to be going into the red, the Auditor’s Department checks with Mr. Baumhauer to find out when the money is coming. Mr. Costa said generally another funding source has to be found and that is when the Auditor’s Department sends it back to Mr. Baumhauer. Mr. Baumhauer said it is often a timing issue because there are ongoing expenses of payroll and the start up of the school lunch program in September before money starts to flow into the fund. The state and federal government is generally late with the reimbursements for free and reduced lunch subsidies. When those people who are not eligible for free or reduced lunch subsidies don’t pay their student’s school lunch bill, it affects everyone who pays for school lunches, he pointed out. Mr. Costa said in 2009 there was a deficit in this account, which had to be raised on the recap, adding that the goal is to prevent a Free Cash hit. Mr. Baumhauer said the account is watched very closely, and Mr. Costa added that the money would have to be paid and take what is raised off the top of the levy limit. Both gentlemen confirmed that there are now internal controls in place to prevent a recurrence of such a deficit.

Councilor McGeary discussed a document of a spreadsheet of a list of grants and revolving funds that are in deficit. Mr. Costa said what is voted tonight the money is already in the account or the account has a history such that there is a regular revenue stream, and was unconcerned with these accounts. The majority on the spreadsheet referred to were grants. Three fire and police detail reimbursement accounts were discussed and the Council doesn’t have a vote associated with them as those funds are established under state law.

MOTION: On motion of Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend the City Council continue acceptance of Statute MGL, Chapter 44, Section 53E ½, School Department Revolving Funds as specified:

Fund	Description	Authorized	Revenue Source	Use of Fund	Spending Limit	Fund Balance	Restrictions
283002	Summer School Program	School	Fees	Salary/Expense	\$20,000	Available Balance	None
283008	Transportation	School	Contracts/ Charters	Transportation Services	\$300,000.00	Available Balance	None
283010	ROTC	School	Fees/Charges	Salary/Expenses	\$80,000.00	Available Balance	None

283012	Preschool	School	Fees/Charges	Salary/Expenses	\$50,000.00	Available Balance	None
283013	Professional Development	School	Fees/Charges	Training	\$20,000.00	Available Balance	None
283019	Non Resident Student Tuition	School	Fees/Charges	Salary/Expense	\$50,000	Available Balance	None

MOTION: On motion of Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend the City Council to authorize the City to establish revolving funds for certain City Departments under MGL, Chapter 44, Section 53E ½ for the fiscal year beginning July 1, 2013, with specific receipts credited to each fund, the purposes for which each fund may be spent and the maximum amount that may be spent from each fund for the fiscal year as specified:

Fund	Description	Authorized	Revenue Source	Use of Fund	Spending Limit	Fund Balance	Restrictions
283007	Building Use	Michael Hale - DPW	Fees/Charges	Expenses	\$75,000.00	Available Balance	None
293004	City Hall User	Michael Hale - DPW	Fees	Janitorial/Maintenance	\$4,500.00	Available Balance	None
293005	Court Repairs	Michael Hale - DPW	State Reimb	Repairs	\$2,800.00	Available Balance	None
293006	Septic Loan - BOH	Jeff Towne - CFO	Fees	Salary/Expenses	\$10,000.00	Available Balance	None
293008	Vaccine - BOH	Noreen Burke - BOH	Fees	Vaccinations	\$45,000.00	Available Balance	None
293012	Fire Training	Eric Smith - Fire Chief	Fees	High Angle Training	\$45,000.00	Available Balance	None
293013	RFR Study	Tom Daniel - Comm Development Director	Fees	Radio Frequency	\$2,000.00	Available Balance	None
293014	Dental - BOH	Noreen Burke - BOH	Fees	Child Dental Services	\$300,000.00	Available Balance	None
293016	Solid Waste/Recycling	Michael Hale - DPW	Fees	Materials/Supplies	\$15,000.00	Available Balance	None
293017	City Clerk	Linda Lowe - City Clerk	Fees	Archival Preservation	\$15,000.00	Available Balance	None
293019	Vacant Building	Bill Sanborn - IS	Fees	Secure Vacant Buildings	\$70,000.00	Available Balance	None
293020	Fire Decon. Drill Training	Eric Smith - Fire Chief	State Reimb	Training	\$1,100.00	Available Balance	None
293021	Lanes Cove Fish Shack	Michael Hale - DPW	Fees	Repairs	\$5,000.00	Available Balance	None
293022	Veteran Services	Richard Barbato - Veterans Agent	Fees	Veteran Services	\$1,000.00	Available Balance	None
293023	Various Fire Trainings	Eric Smith - Fire Chief	Reimbursements	Training	\$20,000	Available Balance	None

MOTION: On motion of Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend the City Council appropriate \$1,170,009 for the FY14 operating costs of the Gloucester School Food Service Program and \$1,170,009 for estimated receipts from fees charged to users of the services provided by the Gloucester Food Service Program in accordance with MGL c44, S53E.

No Revisits or Adjustments.

Department 135 – Auditor - Page 4 – 5

Mr. Costa addressed the Auditor budget and reviewed line items with the Committee as follows:
 Line 51100 Salaries and Wages (\$273,420): Mr. Costa noted his department is a four-person department. He renewed his request to create the position of Grants Compliance Manager for his department, saying this position is much needed which would support grants for both the City and Schools. This year the City will be audited for

SPED, School Food Service, Title I plus two City grants. This position would review grant paperwork; correct department errors in order to prevent findings against the federal grants by the outside auditors. The Grants Compliance person would make sure funds are used for the correct purpose; that the proper paperwork is filed in a timely fashion; that grant accounting is handled properly, and funds are spent appropriately within the proper timeframe. **Mr. Costa** said the best guess figure for salary for this position, not including benefits, for an experienced person with the audit experience in the public sector would be in the range of \$60,000 to \$75,000 (M7). He suggested the department would not be ready to accept a new hire for this position until mid-year due to the many demands on the staff and him through the fall and so would be a half of a year's salary.

Mr. Costa also spoke to the Committee about an upcoming Auditing Department project. He would oversee the revision of the City's Chart of Accounts. A consultant will do the work under his supervision, he said. The work is planned for this fall. The funds to pay for that consultant are already in the Capital Projects Stabilization Fund and is viewed as part of the MUNIS project.

Line 53130 – Professional Audit Services (\$60,340): The cost of the annual audit is up three percent for FY14, based on a contract with the auditor. The Retirement Board funding is the same as in FY13 at \$4,400. The School EOYR (End of Year Report) for the Department of Elementary and Secondary Education is also funded for FY14 at \$5,000. **Mr. Costa** said there is a need for another OPEB report, which must be updated at the end of June 2013, at a cost of \$15,000. He said he hopes to be able to secure a two-report contract to guarantee pricing on the OPEB 2013 and 2015 reports. This is a required report for the financial statement audit, the DOR, and ratings agencies.

Personnel	\$ 277,895
Ordinary	\$ 64,240
TOTAL	\$ 342,135

REVISITS:

Dept. 135, Line 51100 – Salary/Wages to fund a half year of a Grants Administrator, in conjunction with Dept. 152 for Health Insurance and Medicare

Dept. 135 and 155, Line 52850 – DP Software-Lease Purchase (\$95,000) specifically the \$65,000 for financial software maintenance to determine whether to put in Auditor's Department budget and to place it there with a different account designation

Department 141 – Assessors – Page 9-10

Nancy Papows, Principal Assessor addressed the Assessors budget and reviewed several line items with the Committee. Of note,

Line 51100 – Salary/Wages (\$338,790): In FY14 **Ms. Papows** said a goal she set for the department is to complete annual cyclical inspections mandated by the Department of Revenue (DOR). In order to accomplish that goal she noted that the senior clerk position is being moved from part-time to full time. **Ms. Papows** says her department has been understaffed, and the time period to complete work for the DOR in order to meet the requirements and deadlines has been condensed. She pointed out from 2006 forward, the Assessors have been submitting to the DOR either the end of September to early October. Prior to that it was done in November. While this reduces the department's timeframe to submit their report to the DOR, it benefits the City is getting the tax rate certified earlier. **Mr. Costa** pointed out the City is setting records for the date it sets the tax rate. Increasing the position to full time will also allow for coverage when the principal assessor's clerk is out sick and on vacation and lessens the amount of time the Assessing staff works on clerical matters. The only other changes in personnel are contractual under longevity. The part-time position is currently filled, she noted. This position is paid \$35,079. **Councilor McGeary** noted the increase in personnel is about equal to the move of the principal clerk's position moving from part-time to full time. Compared to what has been spent year to date in 2013 which is less of an increase, about six percent in personnel, he said. He also noted it is a triennial year which also accounts for that increase.

Line 54290 – Miscellaneous Special Office Supplies (\$1,325): It was noted the modest increase in office supplies to purchase uniform shirts for the Assessors staff to wear when in the field so they are easily recognized and have a professional appearance.

Ms. Papows pointed out that the funds for the triennial revaluation do not appear in her department budget because the funds to into stabilization account. **Mr. Costa** noted the funds found in Dept. 995 – Line 59600 – Transfers to Other Funds at \$40,000 should in fact be in Dept. 992 - Special Revenue Fund on page 111 under Tab

2. Mr. Costa said he would speak to CFO, Jeff Towne about that to ensure the \$40,000 for the triennial review was in the correct department budget account.

Ms. Papows discussed with **Councilor McGeary** the method used for funding the triennial review and that the review is budgeted for FY14, FY15 and FY16 so the funds are available in FY16 to start the work. She described the City's triennial recertification as a revaluing of the entire City's properties, and is audited by the DOR. It changes the type of information presented to the DOR so an outside consultant assists with the process and does a lot of work on commercial properties in order that the assessments meet the requirements of the DOR. The money set aside is primarily for the consultant, **Ms. Papows** confirmed. The staff Assessors do more assessing of City properties in a triennial year review than in an interim year, she noted.

No Revisits or Adjustments.

Personnel	\$	346,615
Ordinary	\$	40,913
Capital Expense	\$	6,000
TOTAL	\$	393,528

A motion was moved, seconded and voted unanimously to recess the meeting at 7:00 p.m. until Monday, June 10, 2013 at 5:30 p.m. in the 1st Fl. Council Committee Room at City Hall to take up the Waterways Board and Enterprise Fund along with the Community Preservation Act Funds.

Respectfully submitted,

Dana C. Jorgenson
Clerk of Committees

DOCUMENTS/ITEMS SUBMITTED AT MEETING:

- Spreadsheet of listing of grants and revolving funds in deficit.

REVISITS:

Dept. 992, Line 59600, Page 111 (\$40,000 or 0) whether the \$40,000 should be in Dept. 992

Dept 995, Line 59600, Page 112 (\$115,000 or \$40,000) is this where the triennial review funds should be held

Dept. 135, Line 51100 – Salary/Wages to fund a half year of a Grants Administrator, in conjunction with Dept. 152 for Health Insurance and Medicare

Dept. 135 and 155, Line 52850 – DP Software-Lease Purchase (\$95,000) specifically the \$65,000 for financial software maintenance to determine whether to put in Auditor's Department budget and to place it there with a different account designation in Line 52000 – Contracted Services which would have to be added

Dept. 135, Line 52000 – Contracted Services to add \$15,000 for an OPEB Report as of June 30, 2013

CITY COUNCIL STANDING COMMITTEE

Budget & Finance

Monday, June 10, 2013 – 5:30 p.m.

3rd Fl. Committee Room – City Hall

FY14 BUDGET REVIEW #11 – Waterways Fund & Community Preservation Fund

Present: Chair, Councilor Paul McGeary; Vice Chair, Councilor Joseph Ciolino; Councilor Melissa Cox
Absent: None.

Also Present: Councilor Jackie Hardy; Jim Duggan; Kenny Costa; Jeff Towne; Tony Gross; Jim Caulkett

Dept. 492 – Waterways – Page 31-40

Presenting the Waterways Enterprise Fund budget was **Tony Gross**, Waterways Board Chair and **Jim Caulkett**, Harbormaster:

Line 42450 – Revenue - Boat Ramp Fees (\$20,000): **Mr. Gross** explained this line account is for Dun Fudgin Ramp, built by the state; and there is a contract with the City. The City can charge fees but can only spend money taken in on the Dun Fudgin ramp area. A formula has been created which allows for costs of oversight and maintenance to be equated to the anticipated revenue. For FY14 anticipated revenue is estimated at \$20,000.

Harbormaster Jim Caulkett informed the Committee that the Dun Fudgin ramp fee is \$5 per day per use; a season's pass for boats 18 feet and under is \$35 and over 18 feet is \$50. The fee for commercial use: \$35 one time use by a commercial hauler or \$350 for a seasonal pass. The fees are charged to all as this ramp is state built. This formula charges off part of the Harbormaster's and the Principal Clerk's salaries, the seasonal attendant, maintenance, lawn care, and sanitary facilities.

Line 43201 – Revenue-Fees: Harbor Mooring (\$143,694): **Councilor McGeary** noted the mooring fees estimated revenue would go up substantially in FY14 up from \$110,409 in FY13. **Mr. Gross** said fees were raised by ordinance by vote of the City Council by \$2 per foot, moving from \$4 per foot to \$6 per foot for residents and from \$6 per foot to \$8 per foot for non-residents. He added the mooring fee structure places the City's mooring fees on the low-middle end in the region.

Line 43203 – Revenue-Fees: Float (\$13,892): The 10A float fee were changed to create a fairer formula and is now 50 cents per square foot, again, as voted by the Council in 2013, **Mr. Gross** said.

Line 51100 – Salary/Wages Full-Time (\$115,242): It was noted both FTE personnel listed as 0.00 should be listed as 1.0 and would be corrected.

On inquiry by **Councilor McGeary**, **Mr. Gross** commented that he and the Harbormaster have met with the Police Chief and Lt. John McCarthy to work together to coordinate patrol of Wingaersheek Beach and the river as of July 1.

Mr. Caulkett informed the Committee he was picking up the new used patrol boat (c. 2004) the next day which he said was in very good shape. **Mr. Gross** reported all the open positions for Assistant Harbormasters had been filled but several candidates have since withdrawn so there will be some juggling of personnel between assistant harbor masters and the launch drivers.

Line 51200 – Salary/Wage-Part-time Positions (\$58,200): This line represents the salaries for the seasonal Assistant Harbormasters and launch operators.

Line 51300 – Salary/Wage-Overtime (\$1): This line is a placeholder to keep this account open.

Line 51920 – Personal Services Sick Leave Buy Back (\$3,300): **Mr. Gross** noted last year this line item was \$8,370 because of contractual buy back of surplus days, and is why this year is \$5,070 less for FY14.

Line 52000 – Contract Services (\$18,000): This line item was noted to contain: Lawn maintenance at Dun Fudgin and Solomon Jacobs Pier; installation of gangways at Lobster Cove; diving inspections on mooring chains; sanitary facilities at Dun Fudgin; welding repairs and office cleaning. **Councilor McGeary** asked about mooring chains inspections. **Mr. Caulkett** said inspections are for the 28 transient moorings that are City owned as well as the City floats. Private mooring chains are not the City's responsibility he confirmed.

Line 54800 – Oil/Lubricant Maintenance (\$2,000): This line item is up from \$300 last fiscal year due to the increase in the number of boats in the Harbormaster/Waterways Board fleet. The Committee discussed the maintenance issues with the new boats, in particular the new launch boat.

Councilor Cox pointed there was no revenue line for launch fees, even though the launch fees by ordinance may be charged beginning July 1, 2013. **Mr. Gross** said any revenue gained from the launch is placed in Line 43202 – Revenue-Fees: Transient Mooring and will and was placed here to balance the Waterways budget. Moving forward the launch revenues would be placed in its own line account.

Line 57100 – In-State Travel (\$300): This is for the Harbormaster to attend Mass. Harbormasters Association meetings and annual conferences.

Line 58700 – Replacement Equipment (\$3,000): This line is funded to replace the department’s 23-foot boat trailer.

Line 58760 – Infrastructure (\$0): **Councilor Cox** pointed out the Board asked for \$11,400 and the line item is listed as \$0. It was noted this was a capital line for Waterways Retained Earning. This was not a request that was denied. Free

Councilor Hardy, mentioning an issue with the Lane’s Cove roadway asked where in the budget would improvements to the roads leading up to City landings appear. **Mr. Gross** said that would be in the DPW budget. The Board works in tandem with the DPW, particularly on Stone Pier, and is sensitive to their budget and would speak to Mr. Hale if there was a particular issue.

Line 58500 – Additional Equipment (\$7,459): This increase is for computers and a color copier, fax and scanner, **Mr. Gross** said. Their use is light, he noted, and that contracts for maintenance are not felt to be needed.

The Committee and **Mr. Costa** briefly discussed with **Mr. Gross** the Retained Earnings (Free Cash) distributions for the Waterways Board Enterprise Fund and the associated accounting. **Mr. Costa** said it is an aggregate figure and is for accounting purposes. He said he had the balances of those accounts available to the Committee. **Mr. Gross** said since Mr. Costa came to the City, the Board has balanced its working budget. He confirmed that any Board Retained Earnings (Free Cash) are not spent until the Free Cash is certified. It was reported by **Mr. Caulkett** that there is anticipated that there will be a baseline survey in the spring or fall of 2014 of the marina and pier facilities of the City with an eye towards creating a maintenance plan.

Mr. Gross reported that the Board and the City is in discussions with National Grid regarding the hazardous waste mitigation at Solomon Jacob’s Pier, Solomon Jacob Park and Harbor Loop, and will meet with the City’s Legal Department and National Grid on the mitigation and reconstruction of the area. The price tag for the City improvements for the Solomon Jacobs Pier which doesn’t include the installation of public bathroom facilities for transient boaters is estimated at \$1.2 million. The Board will look to a federal boating infrastructure grant to try and obtain the funds for the public bathroom facilities for transient boaters.

Councilor Hardy asked if there was the granting of easements to National Grid involved. **Mr. Gross** said because National Grid has to do the hazardous waste clean up, taking six feet of soil off of Solomon Jacobs and capping it, there has to be a deed restriction upon its completion. Mr. Caulkett added there are some new easements along with the continuing easements for the test wells that are remaining. He said there will be some restrictions in place as to what can be done in the water because of where the caps are going to be placed. What is placed for a top cap makes a difference as to the use of the water sheet. The type of cap dictates the rate of speed and horsepower that can be used close to shore.

Councilor McGeary reviewed that Dept. 492 total is \$327,404, an increase of \$35,154 or 12 percent over the FY13 budget, but a decrease over FY13 actual of \$357,000.

No revisits or adjustments.

Personnel	\$218,436
Ordinary	\$ 98,209
Capital Expense	\$ 10,759
TOTAL	\$327,404

FY14 Budget Review of the Community Preservation Fund is found under Tab 4, Pages 1-7

Dept. 197 – Community Preservation Fund Bond Proceeds; Dept. 172 -Open Space; Dept. 183-Community Housing; Dept. 195-Administrative 5% of Funds; Dept. 196-General Remainder-65% of Funds

Mr. Towne explained under revenues there was a decision to budget for interest on investments allocating the appropriate amount of income which hadn’t been done in the past. \$1,300 is an estimation of what is earned based on what was earned in interest in FY13. Penalties and interest on taxes is late payment of residents’ Community Preservation Act (CPA) portion of their real estate taxes and is estimated at \$1,200 for the first time this year also. This is being done so the Community Preservation Committee (CPC) can use the funds. He pointed out that once

the funding is into the City, the burden then shifts to Mr. Costa to advise the CPC on appropriation of its funds for distribution. The CPA share is estimated at \$125,000; up about \$39,000 from last year based on money taken in; and said he believed this will be a fair estimate of what the state share distribution will be. He explained that surcharged revenue is one percent of taxes and is a total of \$470,000 up from \$450,000 last year (estimated), and was increased based on what **Mr. Towne** said was received in hand, for a total of \$597,500 up from \$546,000.

Mr. Towne pointed out that the total required minimums for allocation of CPA Funds breaks out to: 10 percent for open space, 10 percent for community housing and 10 percent for historic preservation. In FY13 there was no distribution to Community Housing, and so that was set aside for use. This year, like last year, the debt is appropriated up front and comes off the top of the funds to be appropriated. In addition, there is the five percent piece for the administration of the Fund.

Councilor Cox said discussed with Mr. Towne and Mr. Costa the new legislation allowing for more open space and recreation projects to come forward even those parcels not purchased with CPA funds. She said everyone should be encouraged to apply for their particular projects under this heading regardless of the open space designation and allocation.

Mr. Towne said if the CPC decides to issue more debt; that debt stays in place until it goes away. If \$1 million was spent on purchasing some open space and only had \$50,000 towards debt, it would add to the debt budget and takes away from the remainder. Councilors McGeary and Cox commented that 35 percent of potential earnings always has to be reserved for allocation (this includes the 5 percent administration piece).

Mr. Costa said the CPC talked to the CPA Coalition about whether the debt for City Hall could be set aside for historic preservation to meet their 10 percent. The Legal Department of the Department of Revenue had approved that action, agreeing with the CPC. That debt is now able to be used to meet the 10 percent allocation to historic preservation. The City Hall long-term debt has about 12 years left on it, **Mr. Towne** noted.

Mr. Towne urged the Committee to pursue with the City Council to push for CPA funding for City projects as the City is running out of debt reserve capacity given the likelihood of moving forward on the West Parish School and the public safety facility projects. He suggested such projects that would qualify would be a new boiler for City Hall as well as a new HVAC system; wiring and alarm systems – anything that preserves a historic capital asset.

Councilor McGeary commented the CPA Fund is a real asset for the City.

No Revisits or Adjustments.

Dept. 992-Special Revenue Fund: This was noted as a department is for transfers to other funds and is managed by the City Auditor and CFO for the individual funds for the CPA money.

No Revisits or Adjustments.

There was a brief discussion between the Committee and the CFO and City Auditor of the Snow & Ice remainder to be paid and how that deficit would be funded.

A motion was moved, seconded and voted unanimously to recess the meeting at 6:35 p.m. until Wednesday, June 12, 2013 at 7:00 p.m. to take up revisits and motions on the FY14 budget.

Respectfully submitted,

Dana C. Jorgensson
Clerk of Committees

DOCUMENTATION/ITEMS SUBMITTED AT MEETING:

- **Fund Balances FY12-FY13 and Community Preservation Fund Balances FY12-FY13 from City Auditor (3 pages)**

REVISITS: None.

ADJUSTMENTS: None.

CITY COUNCIL STANDING COMMITTEE

Budget & Finance

Wednesday, June 12, 2013 – 7:00 p.m.

1st Fl. Committee Room – City Hall

FY14 BUDGET REVIEW #12 – Revisits & Motions

Present: Chair, Councilor Paul McGeary; Vice Chair, Councilor Joseph Ciolino; Councilor Melissa Cox**Absent: None****Also Present: Councilor Hardy: Kenny Costa; Jim Duggan; Jeff Towne; Linda T. Lowe; Hans Baumhauer; Bill Sanborn****The meeting reconvened at 7:00 p.m. Councilor Hardy sat in for Councilor Cox until her arrival at 7:12 p.m.****REVENUES:****Tab 1:****Revisits:**

Page 4, Dept. 121 - Line 48001 Wind Turbine Income (\$350,000)

Page 6, Dept. 241 - Line 44501 Rev-Lic/Per: Building (\$350,000)

Page 8, Dept. 145 - Line 41900– Hotel/Motel Exc. Revenue (\$450,000)

Page 8, Dept. 145 - Line 41910 – Local Meals Tax (\$475,000)

Page 16, Tab 1, Dept. 241 Total Departmental Revenues

Councilor McGeary said as Councilors with the Administration they have worked hard to come to an agreement to funding big items. It was agreed, pending Council approval to add \$600,000 to the School Department Budget for Fiscal Year 2014. The increase in the schools budget will be funded by enhancing some revenue estimates in a conservative way and by an infusion of Free Cash and some unspent funds from the Treasurer/Collector's Department. He said there would be difficulties to come up with funding for all the individual items asked to be funded, but many of these items will be up for review when Free Cash is certified at the end of the year; and if there is sufficient Free Cash, the Administration has said it will make every effort to fund those items. If department requests are not included in the current budget they will be noted for the record, and a list will be compiled for consideration at mid-year. (See below). Free Cash is unknown at this time but there is assurance from the Administration that those items identified in the list will be high on the list to be funded by Free Cash.

Councilor Ciolino asked that the list of things that are to be considered in January be put on the Budget and Finance Committee's first agenda in January for discussion with the Administration. **Councilor McGeary** agreed with Councilor Ciolino. Free Cash will probably be certified in November, **Mr. Costa** added.

Mr. Duggan said the Administration will take the list generated this evening and will review it when the time is appropriate. **Councilor McGeary** said he regarded that as a fair compromise and it was a result of intense negotiations designed to achieve a fair and balanced FY14 budget.

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council the appropriation in the amount of \$350,000 (Three Hundred Fifty Thousand) from General Fund Unreserved Fund Balance - Free Cash, Account #101000.10.000.35900.0000.00.000.00.000 to Fund Balance Reserved for Special Purposes, Account #101000.10.000.32800.0000.00.000.00.000. The purpose of this appropriation from General Fund Unreserved Fund Balance – Free Cash is to reduce the Fiscal Year 2014 Tax Levy.

Revisits: Total for Cherry Sheet Revenue is now estimated by the state at \$9,946,267 as opposed to the Mayor's original estimate of \$10,074,249.

Line 46200 – A1-School Aid Chapter 70: Aid changes from \$5,978,230 to \$5,981,325 for an increase of \$3,095.

Line 46205 - Charter Tuition: Changes from \$276,032 to \$224,151 for a reduction of \$58,881.

Line 46601- Additional Assistance: Changes from \$3,457,947 to \$3,378,096 for a reduction of \$79,851.

Line 46603 - State-owned Land: Changes from \$17,224 to \$17,879 for an increase of \$655.

Total State Aid changes from the Mayor’s estimate of \$10,704,249 to \$9,946,267 for a reduction of \$127,982. Federal revenue estimates are unchanged.

Line 44501- Revenues-Building Permits: Increasing from \$450,000 to \$500,000 for a total increase of \$50,000.

Line 41900 – Revenues Hotel/Motel Tax (\$450,000) is now increased to \$475,000 for an increase of \$25,000.

Line 41910 – Revenues Local Meals Tax (\$475,000) is now increased to \$500,000 for an increase of \$25,000.

Line 47702 – Fines/Forfeitures-Parking: is now increased from \$295,000 to \$323,000 for an increase of \$28,000

Net increase in revenues is \$18.00.

Total revenues are \$92,471,969.

On inquiry by **Councilor Ciolino, Councilor McGeary** explained that estimated Wind Turbine Revenues are not being increased. He spoke to Richard Kleiman, the consultant to Equity Industrial Turbines, the owners of the turbines at Gloucester Engineering, and said Mr. Kleiman told him there were not sufficient data to justify increasing the revenue estimate for the wind turbine revenues for FY14.

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the total FY14 General Fund revenue including other financing sources in the amount of \$93,222,005.

GENERAL FUND REVENUES: \$93,222,005

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor 0 opposed to recommend that the City Council approve the Overlay – Reserve for Abatement and Exemptions in the amount of \$400,000.

TOTAL NET AVAILABLE FUNDS FOR FY14: \$92,822,005

FY14 BUDGET APPROPRIATIONS BY DEPARTMENT

Dept. 111 - CITY COUNCIL

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the FY14 appropriations for the CITY COUNCIL as follows:

Personal Services	\$96,750
Ordinary Maintenance	\$ 900
TOTAL:	\$97,650

Dept. 121 – MAYOR

Revisit: Page 2, Dept. 121, Line 51944 – Sick Leave Incentive (\$300): This line item was added and removed from Dept. 900 (Special Reserve For Contingency). This changes the personnel line to \$263,579 from \$263,279.

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the FY14 appropriations for the MAYOR’S DEPARTMENT as follows:

Personal Services	\$263,579
Ordinary Maintenance	\$ 24,000
TOTAL:	\$287,579

Dept. 135 – AUDITOR

Revisited: Page 4, Dept. 135, Line 51100 – Salary/Wages to fund half year of a Grants Compliance Officer position, in conjunction with Dept. 152 for Health Insurance and Medicare. In discussions with the Auditor, he said he could

not fill the job until mid-year. **Mr. Duggan** said that this must be named “Grants Compliance Officer”. The Committee placed the position of Grants Compliance Officer for funding on the mid-year Free Cash review list. Page 5, Dept. 135 and 155, Line 52850 – DP Software-Lease Purchase (\$95,000) Auditor’s Dept, Line 52000 specifically \$65,000 for financial software maintenance is now moved from the MIS Department, Dept. 155 and into Line 52000 – Contracted Services which would have to be created in the Auditor’s Department and increases ordinary by \$65,000 which now comes to \$129,240.

Page 5, Dept. 135, Line 52000 – Contracted Services to add \$15,000 for an OPEB Report-as of June 30, 2013. Councilor McGeary asked if this waited to mid-year, **Mr. Costa** said it will not be included in this year’s report. Generally it is in December when the report is issued, so it will have to be done by then. Once he has the funds, he would do the RFP and do the work right away to have it for the outside auditors so they can report it. It is something that is done every two years. **Councilor McGeary** said this might have to wait. **Mr. Costa** said if this was mid-year it would not be able to be done in time. **Councilor McGeary** and **Mr. Towne** said this is important. By not doing this it would be a qualification on the City’s audit. The 2011 report can be used for this year, but using it after 2013 would result in a qualification. **Councilor McGeary** said this has to be a priority for the mid-year Free Cash list.

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the FY14 appropriations for the AUDITOR as follows:

Personal Services	\$277,895
Ordinary Maintenance	<u>\$129,240</u>
TOTAL:	\$407,135

Dept 138 – PURCHASING

Revisited: Page 7, Dept. 138, Line 52620 and Line 52820 to add in for copier at \$1,294 for the City Clerk’s office. **Mr. Towne** said due to the poor condition of the Clerk’s current copier, and according to Donna Compton if the City did lease a new copier it would be \$625 to the ordinary budget. It was agreed this would be added to Line 52620 **and removed from Dept. 900 (Special Reserve For Contingency)** raising it to \$7,605. Ordinary is now increased by \$625 to \$167,253.

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the FY14 appropriations for PURCHASING as follows:

Personal Services	\$134,368
Ordinary Maintenance	<u>\$167,253</u>
TOTAL:	\$301,621

Dept 141 – ASSESSORS

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the FY14 appropriations for the ASSESSORS as follows:

Personal Services	\$346,615
Ordinary Maintenance	\$ 40,913
Capital Outlay	<u>\$ 6,000</u>
TOTAL	\$393,528

Dept 145 - TREASURER/COLLECTOR

Revisits: Page 13, Dept. 145, Line 59100 Long-Term Principal/Debt Service (\$7,889,277) (shows new total)
 Page 13, Dept. 145, Line 59150 Interest-Long Term Debt (\$1,951,070) (shows new total)

Mr. Towne said that Line 59100 had been reduced by \$150,000 and Line 59150 by \$100,000 in order to free up funds to balance the budget.

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the FY14 appropriations for the TREASURER/COLLECTOR as follows:

Personal Services	\$ 520,708
Ordinary	\$11,031,037
Capital Outlay	\$ 3,500
TOTAL	\$11,555,245

Dept 151 – LEGAL

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the FY14 appropriations for LEGAL as follows:

Personal Services	\$214,471
Ordinary Maintenance	\$106,800
TOTAL:	\$321,271

Dept 152 – PERSONNEL

Revisits: Page 17, Dept. 152, Line 51750 Personal Services Employee-Health Insurance (\$5,145,799)
 Page 17, Dept. 152, Line 51780 Personal Services, Medical Service (\$16,000)

No adjustments.

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the FY14 appropriations for PERSONNEL as follows:

Personal Services	\$6,415,971
Ordinary Maintenance	\$ 88,418
TOTAL:	\$6,504,389

Dept 155 - MANAGEMENT INFORMATION SYSTEMS

Revisit: Page 20, Dept. 155, Line 52850 – DP Software-Lease Purchase (\$95,000) specifically the \$65,000 for financial software maintenance is removed from this line item and transferred to the Auditor’s Department, bringing it to a new total of \$30,000.

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the FY14 appropriations for the MANAGEMENT INFORMATION SYSTEMS as follows:

Personal Services	\$173,145
Ordinary Maintenance	\$113,420
Capital Outlay	\$ 41,000
TOTAL:	\$327,565

Dept 161 - CITY CLERK

Revisits: Page 23 Dept. 161, Line 51100 (\$228,278), (difference between FY14 and pending reorganization): This line is obviated as the funds are in Dept. 900 for the estimated cost of the reorganization (\$10,041). Therefore there is no affect on Page 17, Tab 1, Dept. 152 Personnel (Health Insurance/Medicare).

Page 23, Dept. 161, Line 51200 (\$3,000): \$500 cut. Ms. Lowe said she is looking for the part time position that was cut two years ago to be restored and was looking for places that she could put that money back towards a part-time position.

Page 23, Dept. 161, Line 51250 (\$12,427): **Ms. Lowe** said there were two part-time positions in the past. The department lost both part-time positions two years ago, but one position was reinstated. She said second part-time person could be dedicated for the most part to converting the files contained within the City Clerk’s office and at its storage annex at the Post Office building onto laser fiche, as she had indicated at the time of the initial FY14 review of her department. She also noted fewer hours would be used overall. The Committee placed the additional part-time position on the mid-year Free Cash review list.

Councilor Hardy spoke to the \$500 cut offered by Ms. Lowe for this line item during the departments FY14 budget review. She said the City Clerk’s Department doesn’t have an out-of-state travel account or a training account to attend seminars as other departments do. The Council was able to cover one of the training seminars out of state for the City Clerk recently. The out-of-state travel line does not exist and asked that account and training account be instituted. She asked \$250 be put in each new account. The Committee determined that the \$500 would be transferred at another time.

Page 24, Dept. 161, Line 58500 – Additional Equipment (\$300), Page 24 (laptop computer with Zoom H2 Recording System): This was the laptop replacement for the Clerk of Committees that was cut. This is not included in this year’s budget. **Mr. Duggan** said the former IT Director said perhaps the laptop simply needed to be updated and have some items removed from its drives. However, **Councilor Hardy** said the laptop should have nothing removed; this computer is essential to the Council and has a great deal of Council history contained on it, despite its main drive being backed up on the City server. It has always been replaced every two years and does not come out of the MIS budget. The Committee placed the replacement of the Clerk of Committees’ laptop computer on the mid-year Free Cash review list. It was pointed out that this laptop computer is not funded out of the MIS Department as are all other computers for City departments.

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the FY14 appropriations for the CITY CLERK as follows:

Personal Services	\$247,455
Ordinary Maintenance	\$ 2,500
Capital Outlay	\$ 300
TOTAL:	\$250,255

Dept 163 – REGISTRATION

Page 26, Dept. 163, Line 51200 – Salary/Wage-Temporary Positions (\$1,600). **Councilor McGeary** said police detail costs if needed would have to be added some other time; \$800 would not cover a police officer at every polling place. **Councilor McGeary** noted that Legal Counsel was reminded that the Committee had asked for her opinion as to whether a police officer is required to be at each polling place on Election Day and had yet to receive that opinion.

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the FY14 appropriations for REGISTRATION as follows:

Personal Services	\$44,911
Ordinary Maintenance	\$37,900
TOTAL:	\$82,811

Dept 165 - LICENSING BOARD

Page 27, Dept. 165, Line 51250 – Salary/Wage-Part-time Position (\$22,849) to increase clerk’s hours and possibly under Dept. 152 (Health Insurance and Medicare). **Councilor McGeary** said that in discussions with the Licensing Board Chair she informed him the budget could stand as it is. The Licensing Board, he reminded the Committee, brings in \$150,000 in revenue annually.

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the FY14 appropriation for the LICENSING BOARD as follows:

Personal Services	\$22,849
Ordinary Maintenance	\$ 1,175
TOTAL:	\$24,024

Dept 176 - ZONING BOARD OF APPEALS

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the FY14 appropriation for the ZONING BOARD OF APPEALS as follows:

Personal Services	\$7,035
Ordinary Maintenance	\$ 225
TOTAL:	\$7,260

Dept 181 - COMMUNITY DEVELOPMENT

Revisits: Page 29, Department 181, Line 51100 – Salary/Wages Full Time (\$337,912) specifically the Harbor Planning Director salary (\$44,258-FTE .5-General Fund)
Page 17, Department 152, Personnel (in conjunction with Dept. 181-Line 51750 & 51780) Health Insurance

Councilor McGeary said that in discussions with the Administration, he knew that the Seaport Advisory Council has not met and may meet this summer at which time they may vote funding for the Harbor Planning grant and Economic Development Grant, which may or may not be used for the Harbor Planning Director’s salary. That position is funded for half a year at 100 percent from the General Fund and that funding expires in January 2014, he said. **Mr. Duggan** said that proposed for FY14 is 50 percent of the salary is to be paid out of the General Fund. Over the course of the summer in the beginning of the FY14, the Seaport Advisory Council will meet to vote for FY13 and FY14 Harbor Planning Coordinators grants. They have not met over the course of FY13 and would meet early in FY14 to make up for FY13 funding and provide for FY14 funding. Communities affected are Fall River, New Bedford, Salem and Gloucester.

Would a portion of the Harbor Planner’s salary still come out of the General Fund, **Councilor McGeary** asked. **Mr. Duggan** said that it would be a completely grant funded position from two separate grant sources through the Seaport Advisory Council which votes two grants to fund the position. The proposed \$44,258 in Line 51100 would then go back to the bottom line.

Councilor Hardy said the FY13 money would reimburse Community Development. **Mr. Duggan** said that Seaport Advisory Council money is from two grants, Harbor Planning and Economic Development Grant (EDG). There was enough funding through the EDG for a number of years, FY14 being the last year. The City has essentially been forced, and allowed under the grant, to move the FY14 EDG fund, to cover the lack of the Harbor Planning Grant from the Seaport Advisory Council. Once the \$100,000 is received from the Seaport Advisory Council, the City would reimburse the grant and take the General Fund out of the equation. **Councilor Hardy** asked if there is any indication this grant funding will come through. **Mr. Duggan** has asked the Community Development Director to follow up who was told in the past 10 days the Seaport Advisory Council will meet early in FY14 to address the grant votes for FY14. **Mr. Duggan** assured the Councilors this position would be considered for funding in January. **Mr. Costa** said if the FY13 funds from Seaport Advisory Council come in FY14. **Mr. Duggan** said there were unencumbered funds in Community Development in the General Fund. Because the Seaport Advisory Harbor Planner grant did not come in, the position was paid out of the EDG FY14 money to apply to reimburse the General Fund expenses for FY13. At the end of FY13 there is no more grant money from Seaport Advisory Council and the General Fund has been reimbursed out of the grant. **Mr. Duggan** said the activities of the

position are in the best interest of the City. He said the second half of the year funding for the position is on the Administration's revisit list for January. Additionally, the Committee placed the funding of the Harbor Planning Director's salary on the mid-year Free Cash list.

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the FY14 appropriations for the COMMUNITY DEVELOPMENT as follows:

Personal Services	\$406,305
Ordinary Maintenance	<u>\$ 29,638</u>
TOTAL:	\$435,943

Dept 210 - POLICE ADMINISTRATION

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the FY14 appropriations for POLICE ADMINISTRATION as follows:

Personal Services	\$317,214
Ordinary Maintenance	<u>\$ 47,442</u>
TOTAL:	\$364,656

Dept 211 - POLICE UNIFORM

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the FY14 appropriations for POLICE UNIFORM as follows:

Personal Services	\$4,664,586
Ordinary Maintenance	<u>\$ 93,551</u>
Capital Outlay	<u>\$ 49,044</u>
TOTAL:	\$4,807,181

Dept 212 - POLICE INVESTIGATIONS

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the FY14 appropriations for POLICE INVESTIGATIONS as follows:

Personal Services	\$412,115
Ordinary Maintenance	<u>\$ 2,450</u>
TOTAL:	\$414,565

Dept 216 - POLICE HARBOR PATROL

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the FY14 appropriations for HARBOR PATROL as follows:

Personal Services	\$16,000
Ordinary Maintenance	<u>\$ 7,000</u>
TOTAL:	\$23,000

Dept 218 - POLICE PARKING

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the FY14 appropriations for POLICE PARKING as follows:

Personal Services	\$88,460
Ordinary Maintenance	\$ 8,200
TOTAL:	\$96,660

Dept 220 - FIRE PREVENTION AND SUPPRESSION

Revisits: Page 51, Dept. 220, Line 51300 – Salary/Wage Overtime (\$315,790): The addition of \$100,000: **Councilor McGeary** said that the addition of \$100,000 will wait until mid-year and that this will be placed on the mid-year Free Cash review list. He said the Administration remains committed to keeping outlying stations open. Page 59, Dept. 220, Line 52610 Add \$2,000 to this line item for Zoll Interface. The Chief, **Councilor McGeary** said, will find money in his budget so there is no need to adjust this line. Page 62, Dept. 220, Line 55000 – Medical/Surgical Supplies (\$40,000) with a possible addition of \$10,000: **Councilor McGeary** said in discussions with the EMS Coordinator he said Mr. Schultz indicated his funding would take him to mid-year. **Councilor McGeary** asked the additional \$10,000 to fund this line is placed on the mid-year Free Cash review list.

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the FY14 appropriations for FIRE PREVENTION & SUPPRESSION as follows:

Personal Services	\$5,687,065
Ordinary Maintenance	\$ 476,060
Capital Outlay	\$ 40,715
TOTAL:	\$6,203,840

Dept 241 - INSPECTIONAL SERVICES

Revisits: Page 64, Department 241, Line 51100 – \$52,000 to fund possible local building inspector position and Page 17, Department 152, Personnel (in conjunction with Dept. 181-Line 51750 & 51780) Health Insurance: **Councilor McGeary** said funding for another inspector was likely not to happen. **Mr. Sanborn** said this is not a new position but refunding a position eliminated several years ago. Over the past years there are four new ordinances, and his office is now responsible for these additional enforcement duties. Also, the City has adopted the International Building Code which includes Massachusetts-specific amendments, and consists of eight different books. The department’s volume of work has greatly increased over the past five years. The biggest reason, he said, is the adoption of the so-called “Stretch” building code, designed to enforce energy-saving construction practices. He has learned through recent increased inspections that this particular code is not being enforced as much it should. **Mr. Sanborn** explained the process to the Committee and the issues associated with the Stretch Code for both inspectors and homeowners. In talking to other inspectors in the area over the last few months, the inspectors are confirming similar issues. The Stretch Code inspections and enforcement has tripled the department’s workload, he said. Inspections are included in the permit fee he noted which is \$10 per thousand dollars of the cost of the project. **Councilor McGeary** asked how the City’s permit fees compare to other North Shore communities. The City, **Mr. Sanborn** said, is about on average, perhaps a little bit low. **Councilor Ciolino** asked that the additional inspector be put on the January list and that the Committee is acknowledging the need for Mr. Sanborn’s department. **Councilor McGeary** thanked Mr. Sanborn for his explanation. **Mr. Sanborn** enumerated several kinds of inspection fees that aren’t being collected because the periodic inspections are not taking place, such as on multi-families. He confirmed this year’s revenues surpassed last year’s revenues. This past year he said there has been no major permitted projects, so this indicates there is tremendous growth in building permits. Turnover is now up to two weeks for permitting projects due to the volume of work flowing into his department, he added.

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the FY14 appropriation for the INSPECTIONAL SERVICES as follows:

Personal Services	\$360,937
Ordinary Maintenance	<u>\$ 14,975</u>
TOTAL:	\$375,912

Dept 291 – CIVIL DEFENSE

Revisits: Page 68, Dept. 291, Line 52707 Office Equipment & Furnishings (\$0) should have a telephone lease for \$3,300 included (to go into Line 58710 – Office Equipment-Furniture): **Mr. Towne** asked this be funded now because the funds were already reserved. The funds will be deducted from Dept. 900 (Special Reserve For Contingency).

Councilor Ciolino stepped away from the table.

MOTION: On a motion by Councilor Cox, seconded by Councilor McGeary, the Budget and Finance Committee voted 2 in favor, 0 opposed, 1 (Ciolino) absent, to recommend that the City Council approve the FY14 appropriation for CIVIL DEFENSE as follows:

Ordinary Maintenance	\$27,886
Capital Outlay	<u>\$ 3,300</u>
TOTAL:	\$31,186

Dept 292 - ANIMAL CONTROL

MOTION: On a motion by Councilor Cox, seconded by Councilor McGeary, the Budget and Finance Committee voted 2 in favor, 0 opposed, 1 (Ciolino) absent, to recommend that the City Council approve the FY14 appropriations for ANIMAL CONTROL as follows:

Personal Services	\$55,292
Ordinary Maintenance	<u>\$ 3,400</u>
TOTAL:	\$58,692

Councilor Ciolino returned to the table.

Dept 296 - SHELLFISH CONTROL

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council approve the FY14 appropriation for SHELLFISH CONTROL as follows:

Personal Services	\$72,258
Ordinary Maintenance	<u>\$ 2,150</u>
TOTAL:	\$74,408

Dept 403 – SOLID WASTE

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the FY14 appropriation for SOLID WASTE as follows:

Personal Services	\$ 60,322
Ordinary Maintenance	<u>\$1,625,025</u>
TOTAL:	\$1,685,347

Dept 411 – ENGINEERING

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the FY14 appropriation for ENGINEERING as follows:

Personal Services	\$47,001
Ordinary Maintenance	<u>\$14,850</u>
TOTAL:	\$61,851

Dept 421 - DPW HIGHWAY ADMINISTRATION

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the FY14 appropriation for DPW HIGHWAY ADMINISTRATION as follows:

Personal Services	\$ 96,952
Ordinary Maintenance	<u>\$ 10,495</u>
TOTAL:	\$107,447

Dept 423 - SNOW AND ICE

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the FY14 appropriation for SNOW AND ICE as follows:

Personal Services	\$141,500
Ordinary Maintenance	\$473,500
Capital Outlay	<u>\$ 35,000</u>
TOTAL:	\$650,000

Mr. Towne pointed out that the funds removed from the Treasurers/Collector’s Department to help balance this year’s budget have traditionally been used to fund year end Snow and Ice deficit are no longer available for FY14. Therefore, the entire budget for FY14 Snow and Ice is \$650,000 and any deficit will have to be funded from other sources.

Dept 470 - PUBLIC PROPERTIES – MAINTENANCE

Revisits: Page 80, Department 470, Line 51100 (\$790,877) This line is increased by \$79,500 for a Junior to Senior Custodian and two new hires transferred into this department from Dept. 472.
 Page 82, Department 470, Line 52000 (\$128,700) Small Paving Contract. Paving for Burnham’s Field parking area to be placed on mid-year Free Cash review list at the request of **Councilor Cox**.
 Page 82, Department 470, Line 52420 (\$24,500): No change.
 Page 82, Department 470, Line 52181 (\$20,000): No change. **Councilor Ciolino** asked that a request to increase Line 52181 by \$5,000 for maintenance of the Harborwalk be put on the mid-year Free Cash review list.
 Page 84, Department 470, Line 58410 (\$50,000) Land: **Mr. Towne** read the list of six items that are being funded (in FY14 budget on file) in the budget which totals \$50,000.

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the FY14 appropriation for DPW PUBLIC PROPERTIES MAINTENANCE as follows:

Personal Services	\$1,218,088
Ordinary Maintenance	\$ 271,750
Capital Outlay	<u>\$ 59,895</u>

TOTAL: \$1,549,733

Department 472 –PUBLIC PROPERTIES-MAINTENANCE-SCHOOL BUILDINGS

Page 85, Department 472, Line 51100 (\$1,532,700) for Junior to Senior Custodian & two new hires transferred out of this department to Dept. 470, and so reduces Personal Services by \$79,500 for a new total of \$1,453,200.

Councilor McGeary asked that the name of this Department be changed to reflect the fact that it now is responsible for maintenance of all public buildings.

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the FY14 appropriation for DPW PUBLIC PROPERTIES MAINTENANCE (Schools) as follows:

Personal Services	\$1,654,429
Ordinary Maintenance	<u>\$2,674,750</u>
TOTAL:	\$4,329,179

Dept 499 – DPW - Other

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council approve the FY14 appropriation for DPW Other as follows:

Personal Services	\$ 134,083
Ordinary Maintenance	<u>\$ 890,850</u>
TOTAL:	\$1,024,933

Dept 510 - PUBLIC HEALTH

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council approve the FY14 appropriation for PUBLIC HEALTH as follows:

Personal Services	\$404,048
Ordinary Maintenance	<u>\$ -6,768</u>
TOTAL:	\$410,816

Dept 541 - COUNCIL ON AGING

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the FY14 appropriations for the COUNCIL ON AGING as follows:

Personal Services	\$91,480
Ordinary Maintenance	<u>\$ 5,564</u>
TOTAL:	\$97,044

Dept 543 - VETERANS SERVICES

Mr. Towne said Veteran’s Services’ caseload continues to increase and as a result funds were transferred in mid-year to support the City’s veterans’ benefits.

Revisits: Page 100, Department 543, Line 57890 Contributions-Public Relations (\$6,000) subheading Memorials & Square Maintenance (\$2,000): The request to increase the budget for Memorials & Square Maintenance by \$2,000 by Councilor Cox was placed on the mid-year Free Cash review list.

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the FY14 appropriations for VETERANS SERVICES as follows:

Personal Services	\$ 97,294
Ordinary Maintenance	<u>\$260,889</u>
TOTAL:	\$358,183

Dept 563 – TOURISM

Revisits: Page 101, Department 563, Line 53500 – Other Charges & Exp. Marketing/Spec. (\$69,000) – Tourism Commission (\$50,000). **Councilor Ciolino** and **Mr. Duggan** said that \$30,000 should be taken from Ordinary to Personal Services by adding a new Line 51100 funded at \$30,000. The money will be used to fund a full-time position beginning Jan. 1, 2014 and will receive benefits. The balance of the salary and benefits will have to be re-funded mid-year. **Councilor Ciolino** asked that an addition of \$50,000 to the tourism budget be put on the mid-year Free Cash review list.

Funding for expanded hours for the tourism coordinator (\$2,800) was also added to the mid-year Free Cash review list.

Councilor McGeary encouraged the Administration to come up with a comprehensive tourism marketing strategy in the interim.

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the FY14 appropriation for TOURISM as follows:

Personal Services	\$40,000
Ordinary Maintenance	<u>\$40,500</u>
TOTAL:	\$80,500

Dept 610 - SAWYER FREE LIBRARY ADMINISTRATION

Councilor Ciolino disclosed he is an incorporator of the Library and his wife is on the Board of Directors. This would not affect his vote, he said. **Councilor Cox** said she, too, is an incorporator of the Library Board and it will not affect her vote.

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the FY14 appropriation for the SAWYER FREE LIBRARY ADMINISTRATION as follows:

Personal Services	\$741,608
Ordinary Maintenance	<u>\$ 96,178</u>
TOTAL	\$837,786

Dept 820 - CHERRY SHEET ASSESSMENTS

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the FY14 CHERRY SHEET ASSESSMENTS as follows:

Ordinary Maintenance	<u>\$3,778,434</u>
TOTAL:	\$3,778,434

- SPECIAL RESERVE FOR CONTINGENCY

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the FY14 SPECIAL RESERVE FOR CONTINGENCY as follows:

Personal Services	\$ 4,358
Ordinary Maintenance	<u>\$14,041</u>
TOTAL:	\$18,399

Dept. 911 - PENSION SERVICES

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the FY14 appropriations for PENSION SERVICES as follows:

Personal Services	<u>\$6,100,157</u>
TOTAL:	\$6,100,157

Dept 942 – EDUCATION ASSESSMENT

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council accept the FY14 EDUCATION ASSESSMENT for the North Shore Regional Vocational School as follows:

Ordinary Maintenance	<u>\$1,172,072</u>
TOTAL:	\$1,172,072

Dept 992 – OTHER FINANCING USES

Revisit: Page 111, Dept. 992, Line 59600 (\$40,000) whether the \$40,000 should be in Dept. 992: The Committee agreed the Triennial Review monies should be contained in this department and added it here.

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council to approve the FY14 OTHER FINANCING USES as follows:

Transfer to Other Funds	<u>\$115,000</u>
TOTAL:	\$115,000

Dept. 995 – TRUST & AGENCY FUNDS

Page 112, Dept 995, Line 59600, (\$115,000 or \$40,000): \$40,000 was moved to Dept. 992.

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the FY14 TRUST & AGENCY FUNDS as follows:

Ordinary Maintenance	\$ <u>0</u>
TOTAL	\$ 0

SCHOOL DEPARTMENT

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the FY14 SCHOOL DEPARTMENT budget in the amount of \$36,998,748.

TOTAL GENERAL FUND APPROPRIATIONS: \$92,822,005

WATERWAYS, SEWER/ENTERPRISE FUNDS/COMMUNITY PRESERVATION ACT FUND

COMMUNITY PRESERVATION FUND:

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the Community Preservation Fund Revenues in the amount of \$597,500

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the Community Preservation Fund expenditures in the amount of \$597,500 as follows:

Open Space	\$ 59,750
Community Housing	\$ 59,750
Historic Preservation	\$ 0
Administration	\$ 29,875
Debt Service–Historic Preservat.	\$214,291
General Remainder	<u>\$233,834</u>
Total	<u>\$597,500</u>

ENTERPRISE FUNDS:

WATER ENTERPRISE REVENUES

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the FY14 WATER ENTERPRISE REVENUES as follows:

TOTAL REVENUES: \$7,221,117

WATER ENTERPRISE APPROPRIATIONS

Dept 450 – WATER

Revisit: Page 2, Department 440, Revenues (\$7,215,358) total, specifically the indebtedness: An accounting was given to the Chair from Mr. Towne prior to the meeting.

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the total FY14 WATER DISTRIBUTION APPROPRIATIONS as follows:

Personal Services	\$1,690,704
Ordinary Maintenance	\$5,175,518
Capital Outlay	\$ 229,895
Transfer to Other Funds	<u>\$ 125,000</u>
TOTAL APPROPRIATIONS:	<u>\$7,221,117</u>

TOTAL REVENUES – Water Enterprise:	\$7,221,117
TOTAL APPROPRIATIONS – Water Enterprise	\$7,221,117

Mr. Towne said that there are legal bills that need to be paid associated with the United Water case. The Committee agreed to add this appropriation into the other FY13 budget transfers to be taken up at the Budget and Finance Committee meeting on June 20, 2013.

WATER RATE:

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the FY14 Water Rate of \$9.17 per thousand gallons for a twelve month billing period effective July 1, 2013 retroactive to APRIL 1, 2013.

(This is a 0% increase over FY13 water rate of \$9.16 per thousand gallons)

SEWER ENTERPRISE REVENUES

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the FY14 SEWER ENTERPRISE REVENUES as follows:

TOTAL REVENUES: \$7,215,358

SEWER ENTERPRISE APPROPRIATIONS

Dept 440 - SEWER

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the FY14 SEWER ENTERPRISE APPROPRIATIONS - Dept. 440 as follows:

Personal Services	\$1,505,680
Ordinary Maintenance	\$5,494,783
Capital Outlay	\$ 89,895
Transfer to Other Funds	\$ 125,000
TOTAL APPROPRIATIONS:	\$7,215,358

TOTAL SEWER ENTERPRISE APPROPRIATIONS:

TOTAL REVENUES – Sewer Enterprise \$7,215,358
TOTAL APPROPRIATIONS – Sewer Enterprise \$7,215,358

SEWER RATE:

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the FY14 sewer rate of \$12.21 per thousand gallons for a twelve-month billing period effective July 1, 2013 retroactive to APRIL 1, 2013.

(This is a 10% increase over FY13 sewer rate of \$11.10 per thousand gallons)

Dept 492 – WATERWAYS

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the total FY14 WATERWAYS ENTERPRISE REVENUES in the amount of \$327,404.

MOTION: The Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve the FY14 WATERWAYS ENTERPRISE APPROPRIATIONS as follows:

Personal Services	\$218,436
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Ordinary Maintenance \$ 98,209
TOTAL APPROPRIATION: \$327,404

TOTAL REVENUES – Waterways Ent. \$327,404
TOTAL APPROPRIATIONS-Waterw. \$327,404

DEPARTMENT 495 – TALBOT RINK

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council accept the total FY14 TALBOT RINK ENTERPRISE REVENUES in the amount of \$302,615.

MOTION: On a motion by Councilor Ciolino, seconded by Councilor Cox, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council accept the FY14 TALBOT RINK APPROPRIATIONS as follows:

Personal Services \$159,744
 Ordinary Maintenance \$112,656
 Capital Outlay \$ 30,215
TOTAL APPROPRIATION: \$302,615

TOTAL REVENUES – Talbot Rink \$302,615
TOTAL APPROPRIATIONS – Talbot Rink \$302,615

REVOLVING FUNDS – Previously voted 6/5/13.

A motion was made, seconded and voted unanimously to recess the meeting at 10:05 p.m. until June 18, 2013 at 6:30 p.m. in the 1st Fl. Council Committee Room.

Respectfully submitted,

Dana C. Jorgenson
 Clerk of Committees

DOCUMENTS/ITEMS SUBMITTED AT MEETING: None.

Appendix 1: MID-YEAR FREE CASH FUNDING REVIEW LIST – TO BE PLACED ON B&F AGENDA 01/09/14:

1. Dept. 135-City Auditor, line 51100-Salary/Wage-Full Time: Fund Grants Compliance Officer position to 6/30/14 **(\$40,000).**
2. Dept. 135-City Auditor, line 52000-Contractual Services: Fund two-year OPEB Report **(\$15,000).**
3. Dept. 161-City Clerk, line 51250-Salary/Wage-Part-time Position: Restore part-time position **(\$12,427).**
4. Dept. 161-City Clerk, line 58500-Additional Equipment: Fund Laptop Replacement for Clerk of Committees **(\$2,000).**
5. Dept. 181-Community Development: Line 51100-Funding of second half of the Harbor Planning Director’s Salary for FY 2014 **(\$44,258).**
6. Dept. 220-Fire Department, line 51300-Salary/Wage-Overtime: Add to budget line **(\$100,000).**
7. Dept. 220-Fire Department, line 55000-Medical/Surgical Supplies: Add to budget line **(\$10,000).**
8. Dept. 241-Inspectional Services, line 51100-Salary/Wage-Full Time: Fund additional Building Inspector’s position **(\$52,000).**
9. Dept. 470-DPW-Public Property Maintenance, line 52000-Contracted Services: Fund paving for Burnham’s Field parking area **(unspecified).**
10. Dept. 470-DPW-Public Property Maintenance, line 52181-Downtown Improvements: Add to line item for maintenance of the Harborwalk **(\$5,000).**

11. Dept. 543-Veterans' Services, line 57890-Contribution-Public Relations subheading "Memorial & Square Maintenance: Add to line item for additional maintenance **(\$2,000)**.
12. Dept. 563-Tourism, line 51200: Add to line item for additional hours for the tourism coordinator **(\$2,800)**.
13. Dept. 563-Tourism, line 53500 Tourism Commission, Other Charges: Add to tourism commission budget **(\$50,000)**.

Total of items marked for mid-year Free Cash review: \$335,485 (plus cost of paving at Burnham's Field parking lot).

Appendix 2: CHANGES IN DEPT. 900 (SPECIAL RESERVE FOR CONTINGENCY):

Beginning balance: \$22,606.00

- **Reduce** \$300.00 for Dept. 121 (Mayor) Line 51944 – Sick Leave Incentive.
- **Reduce** \$625.00 for Dept. 138 (Purchasing), Line 52620 and Line 52820 for copier at \$1,294 for the City Clerk's office
- **Reduce** \$3,300.00 for Dept. 291 (Civil Defense), Line 58710 Office Equipment & Furnishings telephone lease.
- **Add** \$18.00 for net change in revenues after increasing local revenue estimates and deducting estimated reduction in State Aid.

Ending balance: \$18,399.00