

CITY COUNCIL STANDING COMMITTEE

Budget & Finance

Tuesday, March 1, 2011 – 6:00 p.m.

1st Fl. Council Conference Room – City Hall

-Minutes-

Present: Chair, Councilor Steven Curcuru, Vice Chair, Councilor Paul McGeary; Councilor Jacqueline Hardy

Absent: None.

Also Present: Jim Duggan; Kenny Costa; Jeff Towne; Police Chief Michael Lane; Officer Jeremiah Nicastro, President, Gloucester Police Patrolmen's Association; David Bain

The meeting was called to order at 6:00 p.m. Items were taken out of order.

1. Continued Business:

A) Stormwater Utility Regulations (referred from 02/15/11 Special City Council Meeting)

Councilor Hardy asked who the permit-granting authority on the stormwater permit locally.

Mr. Duggan responded the permit-granting authority is the DEP, but locally he did not know.

Councilor Hardy asked if the permit fees had to be approved by the City Council as a part of the fee structure.

Councilor Curcuru believed they already had appropriated the money for it.

Mr. Duggan believed it was \$100,000.

Councilor Hardy clarified she was speaking of the landowner fees.

Mr. Towne stated the landowner fee would be based on the budget, just as it is for water and sewer. The budget the Council passes will dictate the fee which will be off the formula that you approve in the regulations. The rate is approved just like water and sewer rate during the budget process. That will also determine if there is any debt shift change over which will factor into this budget also.

MOTION: On motion by Councilor McGeary, seconded by Councilor Hardy, the Budget & Finance Committee voted 3 in favor 0 opposed to recommend to the City Council that the matter of the "Stormwater Utility Fee Structure and Regulations" be adopted as presented and pursuant to City Charter Sec. 7-16(b) dated February 15, 2011 and incorporated into these minutes.

2. City's submission to the EPA on the Public Comment: Tentative 301(h) Waiver Decision Document; Draft NPDES Permit (referred from City Council 02/08/11)

Mr. Duggan noted the City's position with the EPA (see file). There is a public meeting scheduled at 6:30 p.m. in Kyrouz Auditorium at City Hall and the public hearing at 7:15 p.m. on Thursday, March 24th. They are sharing with the State and Federal legislative delegations the City's position and looking for their support if they can't give testimony at the hearing to send representation with a letter. They are having different organizations including the Rotary Club, the Cape Ann Chamber of Commerce, etc., to educate people about the issue at hand. He expressed the Administration's being open to any suggestions the Council may have on how to educate the public and to get people there to the hearing to have a strong showing. He felt it was very important to have a strong showing at the meeting and hearing. He noted Mr. Towne's work on the project, and that it shows the lack of affordability on a \$60 million project, and what it would do to the City.

Councilor Curcuru asked if they were required to do the work where would it be levied; it would be on the ratepayers he believed.

Mr. Towne replied it would be on the ratepayers. It will show a dramatic increase in rates. He pointed out the Appendix A, Affordability Analysis. They'll end up for \$60 million, at 5% for 20 years is \$96

million for 20 years in total. It would be \$130.8 million extended over 30 years for a \$60 million secondary treatment project. The City's[sewer] rate will almost double. He stated he did all his analysis as if the CSO and the sewer rate were together, noting it will cost the City that amount of money. He noted the affordability analysis (Page 8 of the Affordability Analysis, Appendix B page 8, Page 21 overall) of the report to the EPA, on file) shows what it does to the existing debt payments. The yellow section shows what the new debt would look like. The sewer user rate right now hovers between \$15 and \$20 once all of their debt goes out to sewer, including the CSO. It will be just under \$30 per thousand gallons.

Mr. Duggan stated the project is not going to put the City in a better environmental position by making the City do this. The investments made recently, which the Council has been a good partner in making sure they make the necessary investments in infrastructure improvements, they haven't even seen the results yet of what those improvements are doing. They're basing one of their issues on denying the City's waiver with no data available yet. They would like to look for a continuing waiver.

Councilor Curcuru asked if Gloucester was the only community in this position.

Mr. Duggan stated there aren't many; and **Councilor McGeary** added Portsmouth, NH lost their waiver.

Mr. Towne stated existing debt is flatlined to 2021. They won't see any significant drop off until after that. The year 2032 is when the existing debt starts to drop off. The chart on Page 21 shows 2032 drop off. On **Councilor Curcuru's** inquiry, he noted that where the drop off shows, that is the CSO debt gone from it. He didn't include some of the capital projects like line upgrades and replacements that should be done every year to infrastructure in the ground. He wanted to show what the City is facing without even doing what should be done regardless. His recommendation throughout this document is, "any regulation or policy implementation that is being considered must be weighed against the practical and financial impact to see if it is feasible." He noted the City just doesn't have the ability to afford this project, "unless the federal government has the means to pay for secondary sewer treatment plant in full, the City of Gloucester cannot take on the overwhelming burden on its own until at least 20 years in the future." The sewer user "just can't take on any more debt."

Councilor Curcuru inquired besides local representation, what kind of "heavyweights" they have.

Mr. Duggan had a conference call with Sen. Brown's Washington and Boston office that day with Mike Hale, DPW Director; and had provided them a summary of the issues along with this report ahead of time. He has scheduled conference calls with Congressman Tierney's office and Senator Kerry's office and making State Sen. Tarr and Rep. Ferrante aware of the situation and being briefed as well. He emphasized the importance that at the public hearing there needs to be a strong showing by the City.

Mr. Towne gave examples in the document of the impact of of a typical residential owner, a restaurant in town with average use, the hospital, other businesses in the City and thought getting representatives from those businesses would be extremely helpful for the public hearing so they can express their views as they will be impacted because of their usage. The hospital's bill will almost double.

Mr. Duggan pointed out a business such as Gorton's would be greatly impacted, expressing his belief they wouldn't be able to afford to stay in Gloucester.

Councilor Hardy also pointed to Cape Pond Ice as an example.

Mr. Duggan reiterated the public meeting is at 6:30 p.m., and the public hearing scheduled for 7:15 p.m.

Councilor McGeary inquired if anyone had looked into the Portsmouth situation.

Mr. Towne had their master plan and long-term control plan update and used it as a basis as a start.

Councilor Curcuru asked if Portsmouth had CSO work to do and debt prior to doing the project.

Mr. Towne stated they did have some.

Councilor McGeary informed the Committee he understood the reason Portsmouth was losing their waiver was they empty directly into a tidal estuary a mile off shore. He thought if they can show scientifically it will not really hurt the City (environmentally), which he believed was in there, he would be prepared for the EPA to come back saying they "did it to your sister City why shouldn't we do it to you."

Mr. Duggan noted several members of the team, Dr. Alan Michaels, and Lynn Brown, a City employee and water treatment operator for years; she is working with the environmental engineer in trying to get the

message out with different groups. Part of the message is that the City cares about our environment, but it would not put us in a better position by investing \$60 million at this point into it. At some point in time they may have to “go into it. Give us breathing room to have secondary treatment.” He contended there is no data environmentally supporting putting in secondary treatment, and plenty of data financially going against it right now.

Councilor McGeary stated in terms of the cogent argument, suggested they lean more heavily on the difference in the environmental impact.

Mr. Duggan stated Dr. Alan Michaels has a “very sound argument” of the lack of environmental impact. There is nothing there that says why the City needs it.

Mr. Towne thought that was their primary argument as well.

The Committee made several suggestions as to how the Administration might approach educating the public, getting started as quickly as possible, as well as getting the word out through several mediums.

This matter was taken up for information only. Mr. Duggan would update the Committee as information becomes available.

3. *Appropriation request to fund first year of Police Contract and additional appropriation Requests from free cash*

[Note: All back up documentation on the following appropriation requests are on file.]

Mr. Duggan noted the presence of **Police Chief Michael Lane; David Bain, Personnel Director; Officer Jeremiah Nicastro, President of the Gloucester Police Patrolmen’s Association (GPPA), MA Coalition of Police, Local 344;** and stated for as long as this Administration has been in office, the GPPA have initiated contract discussions and have been very cooperative in trying to settle their contract. The Memorandum of Agreement is before them (distributed at the meeting and on file). There is a contract that is being drafted that will incorporate everything. It will be one contract; no more addendums, and a lot of the language has been cleaned up. He applauded the negotiation team on the City side, David Bain, Chief Lane noting how well they all worked together.

Police Chief Lane introduced Officer Giacalone who just graduated the Police Academy whom the Committee also acknowledged and congratulated. The Chief also acknowledged the other policemen who took the time to come to the meeting, as did the Committee.

Councilor Curcuru noting the increase over three years asked for a breakdown of the totals.

Mr. Duggan stated the budget is a little over \$5 million. For Year 1 of the contract, it will be \$51,395.52 for the transfer request for FY11, retroactive to July 1st. For FY12 they would look for \$18,000.00 increase to a total of \$69,407.57. In the last year FY13 would be \$111,890.86 total, and an increase of approximately \$40,000 in Year 3.

Councilor Curcuru referred to Prop 2-1/2 new growth and asked what they came up with for it.

Mr. Duggan stated that is approximately \$2 million a year, or \$6 million over the three years of the contract (taking into account new growth is \$500,000 and Prop 2-1/2 is about \$1.5 million).

Councilor Curcuru inquired what the Fire Department would settle upon, asking if it would be about half that amount.

Mr. Duggan responded it would be about one quarter of that.

Councilor Hardy asked about Year 3 impact takes into consideration Step 4.

Mr. Bain and **Mr. Duggan** replied “yes”, that it did.

Councilor Hardy noted the limitations of what the B&F Committee could discuss and couldn’t go into the terms of the contract or MOU; they could only talk about the fiscal impact on the budget; and having nothing to do with matters such as effectuating terms regarding sick days, etc.

Mr. Bain welcomed the Councilors’ questions.

Councilor Curcuru asked about stipends, besides the raises, additionally and was anything subtracted in terms of money.

Mr. Duggan stated no.

Mr. Bain added there is a new rate for student officers which will save some money, officers who to go the Police Academy.

Councilor Curcuru asked about the Quinn Bill and was everybody entitled to it.

Mr. Bain stated if they have the educational credits, yes for student officers.

Mr. Duggan added 75% of the base pay is a cost savings to the City while they're in the academy.

Mr. Bain stated as to the entitlement, if they have the educational credits, yes.

Councilor Curcuru asked as this specifically applies to new applicants to the force.

Mr. Bain responded it depends on what their degrees are. They may be entitled.

Councilor Hardy stated new hires would then continue to get the benefit of the Quinn Bill.

Mr. Bain stated unless they could work something out.

Mr. Towne stated they're getting \$18,000 from the State. It was \$41,000 the year before.

Councilor Hardy asked are any stipends that are in the old contract that are being rolled into salaries this year, noting last year there were a couple that were rolled.

Mr. Bain stated there were not. The only new item was an incentive if people use no sick time during the year, they get a \$400 bonus; only three or four days, a \$100 bonus. The amount they would save in overtime, he noted, more than pays for that. They're low in manpower now. If they have someone out sick, they hire for that officer; and if he is out six or seven days, that could be a substantial amount of money. On inquiry from **Councilor Hardy** if they do that for the Fire Department also, he noted the Fire Department is in negotiations now; and they're always open to all suggestions the firemen may have.

Chief Lane added that in past few years only a couple of patrolmen have had one or two days total sick time.

Councilor Hardy thought there was another union, or two, in the City who have a similar plan.

Mr. Bain responded the AFSME School Custodians unions did; when they merged them that went away. If they were up to a regular compliment it wouldn't be as important.

Councilor Hardy asked about the staffing compliment for the Police Department.

Chief Lane responded they're authorized for 54 patrolmen; they have 45 patrolmen now (with one in the academy and another scheduled in July who will be replacing someone who is retiring). There are ten vacancies and one sergeant vacancy. He stated they were in reality nine below what was there in the past.

Councilor Hardy asked would anyone in the academy now be affected by this 75% as opposed to the 100%.

Chief Lane stated no, that this doesn't start until July 1st. The retirement's replacement would be starting the academy in June. After that it is a matter of who is on the list and when they go. No one there is affected.

Councilor Curcuru noted in order to fund this is free cash (first year), they will get retroactive from July 1st to date "in one shot."

Mr. Duggan stated yes.

Councilor Hardy noted bereavement had changed from four working days commencing with the date of death to something different.

Chief Lane stated it was "pretty much that way in intent", but those with relatives who died out of state, with funerals taking place, for instance, on the fifth working day, they didn't want to deny anyone the ability to go to a funeral out of state if it was beyond the four days.

Mr. Bain added this mirrors the Superior Officers' contract.

Councilor Hardy asked if other unions would be offered the same thing as to her it seemed fair for one it should be fair for another.

Mr. Bain replied everything is on the table.

Councilor Curcuru asked about certification and if they had to go out of town to do so and if that was the case, how it would affect overtime.

Chief Lane stated "no". What they have been doing is using their "outdated" firing range, training on the roof. There are certain hazards to that. They did that last year and will be doing so again in the Spring.

They “pretty much” train on the watches, with some minimal overtime. It is a fraction of what it used to be. It would be about \$2,000 to \$3,000 for the training expense.

Councilor Curcuru asked when the courts close how will it affect the department.

Chief Lane stated if and when the court closes, there is a provision in the contract for back filling if two officers have to take prisoners to the Salem court, for arraignment, paperwork, etc. They don’t know when that will happen. He thought it might be a year from this coming June.

Councilor Curcuru asked how the Chief factors the hours when it happens.

Chief Lane responded they’ll likely do it twice a week. They figure out court overtime at the out-of-town rate vs. in-town rate. They can do it based on past experience with the Salem court. They can look at arrest records during the day. They found about half of witness fees are in local and half in out-of-town courts. From that they can get an average rate and factor that in.

Mr. Bain stated it will be an approximation for the coming year.

Councilor McGeary clarified that the \$51,396 takes them through June 30th of this year;

Mr. Towne responded, “Yes”.

Councilor Hardy noted Article V, Section A-4, which the number of days has changed from 14 to 20.

Chief Lane stated right now an officer can carry over 14 vacation days, and it will now go a carry over of 20 vacation days. If an officer feels he doesn’t need that time, in the past he’d have to come in and use it which would be an overtime issue. This allows for the build up of more days. The only time it is an issue is when an officer retires. It gets officers to come to work more and not use days they don’t want to use.

Mr. Duggan added they’re looking for consistency “across the board”.

Chief Lane added that the contract mirrors GMAA.

Councilor Hardy inquired about shift assignments and how they are determined.

Chief Lane stated shift assignments are through seniority. He explained the process that in the first two weeks of November they pick shifts; and then the senior man picks his assignment and it goes down the roster which he noted it seems to work well. Salem did it for 28 years with no problem. Most, he believed would say they’re satisfied [with this system].

Councilor Hardy asked if the Chief has say as to who goes into the inspector division.

Chief Lane noted ultimately it is his choice. Whoever gets chosen has to have seniority to have days.

Councilor Curcuru asked about detail work.

Chief Lane stated they have a rotating list. House officer calls going right down the list it is quite fair.

Councilor Curcuru asked if they have problems filling those slots.

Chief Lane stated if there are a lot of jobs, then they would have to use out-of-town officers. Retired officers will come out to fill spots, but not too often.

Councilor Curcuru asked what happens if they can’t fill a slot.

Chief Lane stated if traffic cones can’t provide a good substitute, they won’t work. He didn’t know if it had happened. He stated they draw from Rockport, Beverly, Rockport.

Councilor Curcuru stated they had a problem in the fall with a bike race on a weekend and that giving advance notice to people running about being unable to fill a slot would be very helpful.

Chief Lane agreed two days advance notice would be helpful and to go to other towns.

Councilor Hardy stated did they still have retired officers working details.

Chief Lane stated if no regular officers were available then they go to the auxiliary officers. Their rates are the same as a regular officer. It is the private detail rate which is not tied to a percentage.

Councilor McGeary asked how the rate was set.

Chief Lane responded it was set by the union after consultation with the City.

Mr. Bain added the rate stays the same.

Jeremiah Nicastro, President of the Gloucester Police Patrolmen’s Association stated his fellow patrolmen had “zero raises in three years”, and “sacrificed” three years of raises because they knew the City “was in hardship.” A lot of people talk about stipends that were rolled in. They rolled them in “during those three zeros” to protect their pensions. “Did it result in a small raise? Yes, a couple of hundred dollars over the course of the year.” He thought the contract was good for the City; and that the

union and didn't believe it was "extravagant." He felt the patrolmen deserve it. Noting what the police deal with daily, he expressed it is "a small price to pay" for an increase.

Councilor Hardy asked about consolidation of prisoners, the Sheriff's Department 911 center. Would that come back to them.

Mr. Duggan stated it was discussed; the union is open to discussions if they're at the point in the City where they could build a new station and have a new communications center there. "They are absolutely open to those discussions." This would be local, and "not go over the bridge."

Councilor Hardy asked if Dog officer was included in this [contract].

Mr. Bain and **Chief Lane** stated no, nor was clerical staff, Mr. Terpos, the department's financial officer who is in GMAA, and added that the contract is ratified.

Councilor Hardy announced that she did not have any relatives employed by the Gloucester Police Department and will be voting on this tonight. She also noted this was a difficult decision. They worked hard to get free cash for the City. It was not easy in this economy to explain to their constituency, those laid off, children moving in with parents and grandparents. She hoped this passes at the full Council; and if approved there is a great deal of respect from the Administration and the Council for all the City services; and that they strive to treat everyone alike. She thanked them for working with the Administration and appreciated allowing of the Committee to ask these questions. "Just because they ask these questions doesn't mean they're against something." Reiterating the Councilors have to be able to answer to their constituents, she stated she will vote in favor of this.

Councilor McGeary thought it a good process and that the figures were reasonable. Acknowledging the difficult financial times, he believed they have made a good contract with the Administration and the patrolmen and to the good of the City.

Councilor Curcuru wished to clarify a statement made by Officer Nicastro previously about "three years of zeros" They didn't get a concession on road details those three years; there was a concession on the City side at the same time. He also expressed he would vote in favor this.

Chief Lane believed they appreciated the give and take and the fairness involved.

MOTION: On motion by Councilor McGeary, seconded by Councilor Hardy, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council that \$51,396.00 (Fifty-One Thousand , Three Hundred and Ninety Six Dollars) be appropriated from the General Fund Unreserved Fund Balance ("Free Cash") to the Police Department Budget for related personnel expenses for FY2011 resulting from the Gloucester Police Patrolman's Association Contract settlement Accounts as follows:

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
101000.10.211.51100.0000.00.000.00.051	Police-Uniform, Sal/Wage-Perm Pos	\$30,046.56
101000.10.212.51100.0000.00.000.00.051	Police-Investigation, Sal/Wage-Perm Pos	\$ 2,975.98
101000.10.211.51320.0000.00.000.00.051	Police-Uniform, Overtime E911	\$ 8,907.45
101000.10.211.51430.0000.00.000.00.051	Police-Uniform-Night Differential	\$ 2,518.84
101000.10.211.51450.0000.00.000.00.051	Police-Uniform, Holiday Pay	\$ 6,020.48
101000.10.212.51450.0000.00.000.00.051	Police-Investigation, Holiday Pay	\$ 926.21

The Committee expressed their appreciation for Chief Lane's building morale in the Police Department and for his efforts overall.

Chief Lane expressed his appreciation for Mr. Bain's work as well as **Officer Nicastro** for the work done on the contract; with **Mr. Bain** noting also the good job done by **Mr. Duggan**.

Jeff Towne pointed out to the Committee that Item #3 in the Mayor's Memo, and his memo as well, had already been taken care of by the Committee and the Council. He then recounted that on November 22nd the Mayor sent a notification that the City which had started with a \$3.8 million deficit in 2008, as of July

1, 2010 there was a general fund balance was certified for free cash of \$1,992,293. The free cash chart (on file) goes from 1991 to 2011, it has been 9 years since positive free cash. Their starting figure is the \$1,992,000 from the general fund that was certified. They've already voted out \$50,000, \$150,000 and \$27,000, in total \$227,000 has been voted out of the \$1,992,000 in the General Fund. The Sewer Enterprise Fund had \$60,000 voted out for legal services. They did legal out of the sewer fund because it affected the sewer operating budget and the ratepayers. When they did the Moody's call, they're trying to preserve about \$4.6 million creating a healthy financial condition for the General Fund which is a combination between the stabilization fund and the unreserved balance in the General Fund. They put forward to Moody's that it would take four to five years to get through. They have \$3.2 million in unreserved fund balance in the General Fund and \$1.54 million in Stabilization Fund. They got there. Right now they're \$767,000 overspent on the Snow & Ice budget and have to work through how to fund that. This was before the previous week's snow storm, so they could, with another significant snow storm, they could be \$1 million over, as it was two years ago. That is why the Mayor imposed a hiring freeze, and a spending freeze. They may have to carry some of this deficit over, which is allowed and can be raised on the recap the following year. They have to figure that out as part of the balancing of the FY12 budget. If they're going to use some of that, it impacts services and funds that can be appropriated next year. They talked originally about putting \$750,000 in the stabilization fund and reimbursing snow and ice. When certification comes in they would refund the \$150,000 taken out of the Snow & Ice account to open the schools. He suggested the budget for Snow & Ice should be \$800,000 in FY12 so they're not having to play catch up each year.

Mayor Kirk entered 7:10 p.m. and left at 7:12 p.m.

Mr. Towne went on to explain O.P.E.B. is defined as the Other Post Employment Benefit Trust Fund. OPEB is GASB (Governmental Accounting Standards Board) 45 talks about an unfunded liability of the City of \$147 million in total. Nobody [any municipalities] has funded this. The pension obligation is better in most communities than OPEB which came out recently in last four years with trying to fund other post employment benefits for municipal employees. Most is health insurance. When an employee retires, the City still pays a portion of their health insurance (Medicare) after they go on Medicare if they are Medicare eligible. This \$10,000 is just to say it "is on our radar screen". He told Moody's last year they would try to start this trust fund; try to stick to their payment of their pension obligations they were going to try to put together a fund balance and stabilization policy plan that allowed them to maintain a healthy fund balance around \$4.6 million. Moody's wanted to see plan and accomplish it. There will be remaining in unreserved fund balance over \$550,000. The Mayor indicated to the Council she "topped it off" with \$25,293; recommending the City Council could appropriate that for a purpose they so chose (but suggested in her memo that it be used for payment for mediation purposes for the Fort Master Plan).

Councilor Hardy wondered if she should disqualify on the retirement as her husband was on the board of the Gloucester Contributory Retirement Board.

Mr. Towne stated "no". This is City wide. It is not going to the retirement board.

Councilor Curcuru noted the capitalization stabilization fund.

Mr. Duggan stated there should be an initial investment of \$50,000.00.

This prompted a discussion between the Committee, Mr. Costa, Mr. Duggan and Mr. Towne with much give and take on all their parts regarding the amount that should be placed into the stabilization fund. However, in the end, the Committee stood firm in their commitment expressing that \$700,00 should be appropriated from the General Fund Unreserved Fund Balance ("Free Cash") for the purpose to transfer to the City's Stabilization Fund and that \$100,000 should be placed into a Capital Projects Stabilization Fund" which they would establish that evening. On behalf of the Administration, Mr. Duggan objected to the \$100,000 amount believing that amount to be too high to be placed in a Capital Projects Stabilization Fund.

Councilor Hardy thought they needed to start someplace with **Councilor Curcuru** expressing support “100%” and **Councilor McGeary** added his support as well.

Councilor Hardy thanked the Administration for working with them; it is just the beginning.

MOTION: On motion by Councilor Hardy, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council that \$700,000.00 (Seven Hundred Thousand Dollars) be appropriated from the General Fund Unreserved Fund Balance (“Free Cash”) for the purpose to transfer to the City’s Stabilization Fund, Fund #294004.

Mr. Towne asked how capital improvements is defined; if it was according to Capital Improvements Advisory Board’s five year capital improvement plan.

Mr. Costa stated it could be anything eligible as a capital project.

Mr. Towne stated it is intended for capital project related items. You will find something that is on the capital improvement plan.

Councilor Curcuru asked what Mr. Towne’s sense of it was.

Mr. Towne thought it very generic.

Mr. Costa thought they should be as general as possible.

Councilor McGeary thought restricting it to capital projects is sufficient. He has a concern of locking up this money. He would vote for this because they have reunified the CIAB to get a plan in place; and is a good step in that direction.

Councilor Curcuru thanked the Administration for their spirit of cooperation.

MOTION: On motion by Councilor Hardy, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council the establishment of a new Stabilization Fund to be known as the “Capital Projects Stabilization Fund” pursuant to Massachusetts General Law (MGL) Chapter 40, Section 5B, for the purpose of funding necessary capital improvements.

Councilor Hardy stated good first step serious about capital improvements in the City and looks forward seeing it added to.

Councilor Curcuru thought it a great idea and shows being responsible.

Councilor Hardy stated they were setting aside for a specific purpose.

Councilor McGeary asked if they get “gold stars for running ahead of Moody’s plan.

Mr. Towne stated yes.

MOTION: On motion by Councilor Hardy, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council that \$100,000.00 (One Hundred Thousand Dollars) be appropriated from the General Fund Unreserved Fund Balance (“Free Cash”) for the purpose to transfer to the Capital Projects Stabilization Fund, Fund #850000.

On inquiry by **Councilor Hardy**, **Mr. Towne** stated they’re at \$767,000. It will end up \$1 million if there is another storm.

Councilor Hardy stated they’re putting this back since it was taken out previously.

Councilor Curcuru added it came out transfer to get the schools open at the beginning of the school years and this is replacing it as planned.

MOTION: On motion by Councilor Hardy, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council that \$150,000.00 (One Hundred and Fifty Thousand Dollars) be appropriated from the General Fund Unreserved

Fund Balance (“Free Cash”) for the purpose of reducing the City’s Snow & Ice deficit in Department 423 Snow & Ice Removal, Account # 101000.10.423.52970.0000.00.000.00.052 - DPW-Snow/Ice Removal, Snow/Ice-Contract.

Mr. Costa stated they’re planning for retired employees for their health benefits. They won’t have funds now to fund it; \$7 million is shown in the funding schedule. No one is doing that but this is a good start. This, he believed, is planning.

Mr. Towne agreed. They pay a portion of the cost each year.

Mr. Towne stated this includes the entire schools (an unfunded liability)

Councilor Hardy stated this is administered by the City rather than the Gloucester Contributory Retirement Board and therefore can vote it.

MOTION: On motion by Councilor Hardy, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council to accept Massachusetts General Law (MGL) Chapter 32B, Section 20, which authorizes a local option to establish an Other Post-Employment Benefits Liability Trust Fund and a funding schedule for the fund.

Councilor Hardy stated this is good planning.

Mr. Costa stated this was spoken about with Moody’s. Newton has just done this as well.

MOTION: On motion by Councilor Hardy, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council that \$10,000.00 (Ten Thousand Dollars) be appropriated the General Fund Unreserved Fund Balance (“Free Cash”) for the purpose to transfer to the Other Post-Employment Benefits Liability Trust Fund, Fund #830000.

Discussion related to \$25,923.00 from free cash to be recommended for a purpose by the Gloucester City Council will be continued to March 17, 2011.

The Committee recessed at 8:08 p.m.

The Committee reconvened at 8:10 p.m.

4. *Memo from Health Director re: reapplication process for a Drug Free Communities Support Grant*

This matter is tabled.

5. *Memo from Health Director re: Tobacco Control Mini-Grant*

This matter is tabled.

6. *Special Budgetary Transfer Request (#2011-SBT-14) from Assessors Department*

Mr. Towne explained this transfer ties into the last one the Committee did. A vacation day was taken and so the calculations changed and so they need to correct it. He wished to do this in whole numbers and asked for a rounding up of the total to \$116.00 he would appreciate it. He also noted with the budget preparation, he wished to do it with whole numbers.

MOTION: On motion by Councilor Hardy, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council to transfer (#2011-SBT-14) \$116.00 from Assessors In-state travel, Unifund Account

#101000.10.141.57100.0000.00.000.00.057 to Assessors Sal/Wage – Perm Position, Unifund Account 101000.10.141.51100.0000.00.000.00.051.

7. Memo from City Auditor regarding accounts having expenditures which exceed their authorization

Mr. Costa reviewed his documentation (on file) with the Committee.

Mr. Towne would speak to departments regarding the worker's compensation issue and would work to alleviate that situation.

A motion was made, seconded and voted unanimously to recess the meeting at 8:25 p.m. and reconvene Wednesday, March 2, 2011 at 5:30 p.m.

Respectfully submitted,

Dana C. Jorgenson, Clerk of Committees

DOCUMENTS/ITEMS RECEIVED AT MEETING:

- **Memorandum of Agreement between City of Gloucester and Gloucester Police Patrolmen's Association, Massachusetts Coalition of Police, Local 344**

STORMWATER UTILITY REGULATIONS

Updated: 2/15/2011

Sec. I - Purpose

Pursuant to the City of Gloucester Code of Ordinances section 23-2, the city has established a stormwater utility. These regulations are promulgated by the Director of Public Works under the authority of section 23-4(c) of the Code of Ordinances and the City Charter. The regulations establish the utility fees and the administration of the utility.

Sec. II – Definitions

- (1) City: shall mean city government, including staff and elected officials.
- (2) Equivalent residential unit (ERU): The representative impervious area of single family residential property located in the city. The value of one ERU will be established based on the median impervious area size of the City's single family residences, as determined from aerial photography. It will be re-computed periodically as new data becomes available.
- (3) ERU rate: The charge per year for a single ERU. This to be calculated by dividing the budget of the Stormwater Utility by the number of chargeable ERUs.
- (4) Impervious area: Any part of any parcel of land that has been modified by the action of persons to reduce the land's natural ability to absorb and hold rainfall. This includes areas that have been covered with structures. Excluded are all lawns, landscape areas but not excluding any hardscaped area.
- (5) Impervious surface: any material or structure on or above ground that prevents water infiltrating the underlying soil. Impervious surface includes without limitation roads, paved parking lots, sidewalks and rooftops.
- (6) Director: The Department of Public Works Director or designee.
- (7) Multifamily property: All residential development not classified as single-family residential or accessory.
- (8) Nonresidential property: All property not zoned or used as residential property as defined in this article.
- (9) Single-family property: All single-family residential dwelling structures. All other residential development shall be classified as multifamily.
- (10) Stormwater: That part of precipitation that travels over natural, altered, or improved surfaces to the nearest stream or channel or impoundment and may

appear in surface waters. Including stormwater runoff, snowmelt runoff, and surface water runoff and drainage.

- (11) Stormwater management plan: An approved plan for receiving, handling, and transporting storm and surface waters within the city stormwater management system.
- (12) Stormwater management systems: All natural and manmade elements used to convey stormwater from the first point of impact with the surface of the earth to a suitable outlet location internal or external to the boundaries of the city. The stormwater management system includes all pipes, channels, streams, ditches, wetlands, sinkholes, detention/retention basins, ponds, and other stormwater conveyance and treatment facilities, whether public or private.
- (13) Stormwater Management Utility (SMU): the utility created pursuant to the Gloucester Code of Ordinances chapter 23-2.
- (14) SMU director: The Department of Public Works Director or designee is responsible for implementing the SMU function.

Sec. III – Stormwater management utility program established

A stormwater management utility (SMU) program is established to provide the operational means of implementing and carrying out the functional requirements of the stormwater management system. The SMU program shall be part of the overall utility systems of the city.

Sec. IV - Customer base

All real property within the jurisdictional boundaries of the city shall be subject to SMU fees unless specifically exempted by the section 23-6 of the code of ordinances. The fees shall also apply to all tax-exempt properties, including properties of federal, state, and county agencies and nonprofit organizations, with the exception of properties owned by the City of Gloucester.

Sec. V - Utility fee categories

The following utility fee categories are established for the purpose of calculating the stormwater fee.

- (1) Single-family property: Each single-family property shall be considered one ERU for billing purposes.
- (2) Multifamily: The Director of the Department of Public Works (Director) may establish the number of units in a single property above which properties will be charged as a multi-family unit. At or beneath this number a multifamily will be charged as a single-family property (a single ERU). Each multifamily unit shall be charged a fixed portion of the ERU rate.

NUMBER OF UNITS x MULTI-OCCUPANCY FACTOR x ERU RATE

The multi-occupancy factor will be established by the Director.

- (3) Residential lots with structures and or uses which are accessory to residential uses shall be charged as follows:

ERU RATE X MULIT-OCCUPANCY FACTOR

- (4) Each condominium unit shall be charged as follows:

ERU RATE x MULTI-OCCUPANCY FACTOR

- (5) Nonresidential property: The annual utility fee for all nonresidential properties shall be billed and calculated in accordance with the following formula:

IMPERVIOUS AREA / ERU size = Number of ERUs

- (6) The Director may set a minimum and maximum number of ERUs for nonresidential or residential property.

Sec. VI - Fee schedule

- (1) ERU fees shall be billed and collected as a separate line item on utility account bills. Separate accounts for stormwater services may be established if other utilities are not furnished to property.
- (2) ERU fees shall be billed as often as other utility accounts are billed.

Sec. VII - Exemptions

Pursuant to section 23-6 of the Code of Ordinances, the following real property located in the city shall be exempt from the imposition of SMU fees:

- (1) Property that is owned by the City of Gloucester.
- (2) Property that is vacant and unimproved and with no impervious area, however, the Director may determine that the land may contain an amount impervious surface which is de minimus and therefore exempt.
- (3) Paved improved public or private right-of-way.

Sec. VIII – Remedies of aggrieved property owners

All requests to abate the stormwater utility fee shall be submitted to the Director of the Department of Public Works and shall be reviewed and processed in the same manner as an appeal of a sewer bill. The provisions of MGL c. 83, section 16E, and all available remedies under MGL c. 165, section 10, may apply. The petition for an abatement must be filed within the time allowed for an abatement of real estate tax, or for exempt properties the time within which a real estate tax would be filed if not tax exempt. If the DPW Director finds that the charge was for more than was properly due, an abatement shall be made. If the appeal is denied, the petitioner may appeal to the appellate tax board upon the same terms as a person aggrieved by the refusal of the assessors of a city to abate a tax.

Sec. IX - Enforcement and penalties

- (1) Bills shall be payable at the same time and in the same manner and subject to the same penalties as set forth in Massachusetts General Law chapter 83 section 16 for sewer bills. Nonpayment of any portion of the stormwater utility fee shall be considered as nonpayment of all other city utilities appearing on the bill and may result in the city's termination of all services appearing on the bill.
- (2) Pursuant to Massachusetts General Laws, the city shall have a lien for delinquent or unpaid stormwater management services charges, which lien shall be prior to all other liens on such property except for tax liens. Enforcement and foreclosure of said liens shall be as provided by law. Interest on the unpaid balance shall be the highest rate as authorized by state law.