

**Budget & Finance Standing Committee
Thursday, July 6, 2023 – 5:30 p.m.
Harbormaster’s Conference Room, 19 Harbor Loop
and via Zoom
-Minutes-**

Present (in person): Chair, Councilor Scott Memhard; Vice Chair, Councilor Tony Gross; Councilor Jeff Worthley (arrived at 5:41 p.m.)

Also Present (in person): Auditor, Kenny Costa; CFO, John Dunn; Clerk of Committees, Sherry White

Also Present (remotely): Community Development Director, David Fields; Grants Administrator, Jaimie Corliss

Meeting called to order at 5:30 p.m.

Councilor Memhard announced the names of the B&F Committee members in attendance (Councilors Gross and himself), and City staff who were attending in person and via Zoom.

Matters were taken out of order; minutes reflects the order in which matters were taken.

1. Memorandum from Grants Administrator re: PY23/FY24 Community Development Block Grant and HOME Allocations

Summary of Discussion: Grants Administrator, Jaimie Corliss, stated that these are both formula-based entitlement allocations (not competitive grants). She explained that the CDBG supports the low to moderate income housing rehabilitation program, as well as the down payment assistance program, and that the HOME allocation is specifically for development of low to moderate income housing (affordable housing).

COMMITTEE RECOMMENDATION: On a motion by Councilor Memhard, seconded by Councilor Gross, the Budget & Finance Committee voted 2 in favor, 0 opposed, 1 (Worthley) absent, to recommend that the City Council accept, under MGL c. 44, §53A, federal grants in the amount of \$708,434 for the Community Development Block Grant (CDBG) from the U.S. Department of Housing and Urban Development (HUD) for Program Year 2023/Fiscal Year 2024 and the HOME Grant from the North Shore HOME Consortium for Program Year 2023/Fiscal Year 2024 in the amount of \$127,156.

2. Memorandum from Director of Elder Services requesting acceptance of donations in the amount of \$960

Summary of Discussion: The CFO, John Dunn, thanked the generous donors for supporting the Council on Aging, as well as Veterans Services.

COMMITTEE RECOMMENDATION: On a motion by Councilor Memhard, seconded by Councilor Gross, the Budget & Finance Committee voted 2 in favor, 0 opposed, 1 (Worthley) absent, to recommend that the City Council accept various cash donations, under MGL c. 44, §53A, to support the Council on Aging in the amount of \$960 from the following members and business partners within our community:

Stephen-Susan Niemi	\$ 50.00
Clifford Adams	\$ 50.00

Annette Kennedy	\$ 30.00
Gerry Favaloro	\$ 15.00
Marilyn Grant	\$ 10.00
Andrea Mackey	\$ 25.00
Velma Higgins	\$150.00
Annisquam Association	\$600.00
Marilyn Grant	\$ 15.00
Gerry Favaloro	\$ 15.00

	Total: \$ 960.00.

3. Memorandum from Veterans Services Director requesting acceptance of donations in the amount of \$2,090

Summary of Discussion: There was no additional discussion on this matter.

COMMITTEE RECOMMENDATION: On a motion by Councilor Memhard, seconded by Councilor Gross, the Budget & Finance Committee voted 2 in favor, 0 opposed, 1 (Worthley) absent, to recommend that the City Council accept various cash donations, under MGL c. 44, §53A, to support Veterans Services in the amount of \$2,090 from the following members and business partners within our community:

Leanora Swekla	\$ 25.00
Edward Comeau	\$100.00
Robert and Kathleen Hull	\$100.00
Clare MacDonald	\$100.00
Pratty's CAV Inc	\$950.00
Edward Comeau	\$100.00
Christine Rasmussen	\$ 25.00
Trinity Congregational Church UCC Gloucester	\$300.00
Wayne Sargent and Theresa Marchant	\$ 50.00
Nanci and Joseph Virgilio	\$100.00
Edward Comeau	\$100.00
Maria and Salvatore Scola	\$ 25.00
Greg and Kellie Verga	\$ 20.00
Patricia and Brian Olson	\$ 25.00
David and Nancy Rose	\$ 50.00
Gloria Stevens	\$ 20.00

	Total: \$2,090.00.

4. Memorandum from CFO re: FY23 Year End Budget Transfers

Summary of Discussion: The CFO, John Dunn, explained that the purpose of the transfers is to make whole FY23 account deficits and that two labor contracts (DPW and Patrolmen) have also settled so reserve funding had been put in place to cover an entire year of retroactive pay, as well as the one week of split payroll that will post either July 7th or July 10th, 2023. For comparison, the Auditor, Kenny Costa, highlighted that FY22 had \$1.6 million in end-of-year budget transfers, including a Free Cash appropriation of \$486,000 for snow and ice. The CFO also highlighted that the City does not know the exact funding needed for School Choice as attendance is not established until October. The Auditor added that Special Education costs also are not immediately determined which is why end-of-year transfers are needed.

Councilor Worthley asked for clarification regarding the funds transferred from “Pension” to “School Choice Sending Tuition.” The **Auditor** explained that the City has made the payment into the Pension fund as determined by the actuaries which fulfilled that obligation, and that this is available funding. The **CFO** added that funds cannot be encumbered without reason.

There was a discussion as to how the process to cover deficits is determined and whether the transfers can be done intradepartmental or interdepartmental. There was also a discussion regarding the pros and cons of partially funding departmental audits (i.e. funds in the City Council budget that have not been used for a formal audit).

It was determined that there will be a Special B&F meeting on July 11, 2023, if needed, to cover any additional deficits due to the posting of the split payroll which will account for overtime or temporary wages due to Fiesta that are not already encumbered.

COMMITTEE RECOMMENDATION: On a motion by Councilor Memhard, seconded by Councilor Gross, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve the following Special Budgetary Transfer (2023-SBT-24) for the purpose of funding and making whole Fiscal Year 2023 account deficits totaling \$1,066,000 in the following accounts:

(continued next page)

FROM ACCOUNT			TO ACCOUNT			AMOUNT
ORG	OBJ	Account Name	ORG	OBJ	Account Name	
0111152	530000	City Council Professional	0170059	591500	LTD - Interest	\$ 25,000
0112152	578001	Mayor - Contingency	0121151	511000	Police Uniform Salaries	\$ 75,000
0112152	578001	Mayor - Contingency	0122051	517001	Fire Workers Comp	\$ 105,000
0112152	578001	Mayor - Contingency	0182052	565004	School Choice Sending Tuition	\$ 30,000
0113851	511000	Purchasing Salaries	0194552	574001	Liability Insurance	\$ 5,500
0113851	511000	Purchasing Salaries	0170059	590000	LTD - Principal	\$ 5,500
0114552	520000	T/C Purchase of Services	0114551	512000	T/C Temp Salaries	\$ 40,000
0115151	511000	Legal Salaries	0115152	530010	Legal Services	\$ 50,000
0115251	511000	HR Salaries	0182052	565004	School Choice Sending Tuition	\$ 22,000
0116151	512000	City Clerk Temp Salaries	0142352	553010	Snow & Ice - Salt & Sand	\$ 16,000
0117151	511000	ConCom Salaries	0170059	591500	LTD - Interest	\$ 10,000
0118151	511000	Com Dev Salaries	0149951	511000	DPW Central Service Salaries	\$ 15,000
0118151	511000	Com Dev Salaries	0170059	591500	LTD - Interest	\$ 65,000
0122058	585003	Fire - EMS Equip	0122051	513004	Fire - OT	\$ 40,000
0124151	511000	Building Salaries	0190351	517008	Medicare Insurance	\$ 30,000
0129152	520000	Emergency Manage POS	0142352	553010	Snow & Ice - Salt & Sand	\$ 25,000
0142351	513002	Snow & Ice OT	0142352	553010	Snow & Ice - Salt & Sand	\$ 27,000
0142358	585000	Snow & Ice Equipment	0142352	553010	Snow & Ice - Salt & Sand	\$ 8,000
0147051	511000	DPW - Pub Serv Salaries	0142352	553010	Snow & Ice - Salt & Sand	\$ 22,000
0149958	585000	DPW Central Capital	0149952	527007	DPW Central Street Lights	\$ 3,000
0151051	511000	BOH - Salaries	0142352	553010	Snow & Ice - Salt & Sand	\$ 130,000
0151052	550000	BOH - Medical Supplies	0190351	517008	Medicare Insurance	\$ 25,000
0154352	577001	Veteran's Benefits - Medical	0154351	511000	Veteran's Salaries	\$ 3,000
0154352	577001	Veteran's Benefits - Medical	0142352	553010	Snow & Ice - Salt & Sand	\$ 100,000
0161051	511000	Library Salaries	0182052	565004	School Choice Sending Tuition	\$ 30,000
0190151	517003	Health Insurance	0182052	565004	School Choice Sending Tuition	\$ 45,000
0192151	517014	Medical Services	0182052	565004	School Choice Sending Tuition	\$ 20,000
0192151	517004	Pension	0182052	565004	School Choice Sending Tuition	\$ 41,000
600051	512000	Water Temp Salaries	600059	592500	Water Short Term Debt	\$ 10,000
600052	534002	Water Bond Issuance	600059	592500	Water Short Term Debt	\$ 6,000
600058	580000	Water Capital Outlay	600059	592500	Water Short Term Debt	\$ 20,000
600058	585000	Water Equipment	600059	592500	Water Short Term Debt	\$ 6,000
640051	512000	Sewer Temp Salaries	640052	530027	Sewer Bond Issuance	\$ 11,000
					Total:	\$ 1,066,000

5. Memorandum from City Auditor regarding accounts having expenditures which exceed their authorization & Auditor's Report and other related business

Summary of Discussion: The Auditor stated that all accounts on the Overdrawn Report with a deficit will be cleared up with the 2023-SBT-24 transfers.

MOTION: On a motion by Councilor Worthley, seconded by Councilor Gross, the Budget & Finance Committee voted 3 in favor, 0 opposed, to adjourn the meeting at 6:06 p.m.

Submitted by: Sherry White, Clerk of Committees

Documents submitted at the meeting: None.

Meeting Recording: <https://www.gloucester-ma.gov/1097/Past-Remote-Public-Meetings>