

**Budget & Finance Committee**  
Thursday, June 6, 2013 –6:00PM.  
1<sup>st</sup> Fl. Council Committee Rm. – City Hall  
-Minutes-

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

**Absent:** None.

**Also Present:** Kenny Costa; Noreen Burke; Jeff Towne; Jim Duggan; Mike Hale.

The meeting was called to order at 6:00 PM. Agenda items were taken out of order.

1. *Referral by P&D Committee re: Review of Financial Implications of CC2013-017 (Verga) Amend GCO Chapter 21, Article IV (Repair of Private Ways) Sections 21-81 through 21-85 To add specific standards on what the City should require for the level of design, amount of work, and allocation of funds for permanent repairs to private ways (Cont'd from 04/18/13)*

Councilor McGeary stated that B&F is not yet ready to discuss the financial aspects of this Ordinance until it is closer to finalized. **Jim Duggan, Chief Financial Officer**, suggested Councilor McGeary discuss this with Councilor Verga. He added that Linda Lowe, City Clerk, has made organizational changes but no changes to the language and P&D is looking for input on the fiscal aspects. **Councilor McGeary** stated that he has offered this advice in the form of a memo.

**This matter continued to July 18, 2013.**

2. *Memorandum from Mayor re: Commercial Street/Fort Square Infrastructure Plan*

**Councilor McGeary** stated that Mayor's memo has been accepted and reviewed. He asked what are the chances that the City will get the State infrastructure funding. **Mr. Duggan** stated that he has reached out and spoken with Massachusetts Secretary of Housing and Economic Development Secretary Greg Bialecki's Office to ask about the timing of these funds. The City asked to postpone the receipt of these funds until further notice. Gloucester is committed to this issue and is optimistic, but nothing is signed. **Mr. Duggan** will utilize local and State congressional resources available when it comes time to request this money again.

3. *Memorandum from CFO re: Transfer of unexpended bond proceeds & Supplemental Appropriation-Budgetary Transfer Requests: 2013-SA-130, 2013-SA-131, 2013-SA-132 and 2013-SA-133*

**Mike Hale, Director of Public Works**, stated that there is currently no air conditioning at the O'Maley Middle School. The building was designed to be air conditioned when the temperature is above normal room temperature and it is not set up to circulate fresh air. The backup system failed many years ago and has been running on half of the working equipment which was operating on only about 10 percent of its efficiency. **Mr. Hale** has presented this matter to the Capital Improvement Advisory Board (CIAB) twice as a stand-alone project. He added that there is a grievance on file by the teachers concerning air quality. There is currently a bid out for the work required to repair one half of the system. **Mr. Hale** stated that the DPW is buying enough equipment to make the air conditioning work, but there will still be no backup system. A complete replacement of the system is on the FY 14 capital project. **Jeff Towne, Treasurer**, stated that the plan was sent to the CIAB in May 2012. **Councilor McGeary** stated the CIAB was supposed to have met Monday and send their final recommendations to the Mayor. He asked if that has happened. **Mr. Towne** stated that they did meet and he responded to their recommendations based on discussions with the Mayor. They will meet again to finalize a draft and it should be given to the Mayor any day now. **Councilor McGeary** asked if it is an advisory report. **Mr. Towne** confirmed that it is and added that it will likely be a request for more detailed information. **Councilor Cox** stated that she does not understand how this has gone on this long. **Mr. Hale** replied that there were more urgent things that took precedence. **Councilor Cox** asked how Councilors should handle parents that are concerned about their children. **Mr. Hale** stated that the work is already

out to bid so this project will move quickly. **Councilor McGeary** stated there is language in some of the regulations that determines what capital project funds can be moved for what projects and asked if there was going to be any conflict. **Mr. Costa** stated that these transfers fall under MGL Chapter 44, §20 and should all be fine.

**MOTION:** On motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council, that in accordance with MGL Chapter 44, §20, the unexpended balances of funds borrowed to pay costs of the projects set forth below, which amounts are no longer needed to complete the projects for which they were initially borrowed, are hereby appropriated by the Gloucester City Council to pay costs associated with the HVAC system at the Ralph B. O'Maley Middle School, including the payment of any and all costs incidental and related thereto:

<u>Project Description</u>	<u>Unexpended Balance</u>
CIP05 School Computer Hardware	\$ 1,076.33
CIP05 Upgrade Fire Alarms	\$ 27,420.00
CIP05 High School Elevator Repairs	\$ 2,147.82
CIP05 School Replace Fire Doors	\$ 1,551.56
CIP07-05(c) Purchase/Install Fire Alarms	\$ 2,687.21
CIP08 GHS Energy Management	\$ 26,700.00
CIP04 Bennett Street	\$ 38,973.54
<b>TOTAL</b>	<b>\$100,556.46</b>

**MOTION:** On motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council to appropriate 2013-SA-127 in the amount of \$1,076.33 (One Thousand Seventy Six Dollars Thirty Three Cents) the from School Computer Hardware-Undesignated Fund Balance, Account #300013.10.000.35900.0000.00.000.00.000 to Transfers In – From Capital Project Fund, Account #300088.10.993.49700.0000.00.000.00.040 for the purpose of funding improvements for the O'Maley Middle School HVAC system.

**MOTION:** On motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council to appropriate 2013-SA-128 in the amount of \$27,420.00 (Twenty-Seven Thousand Four Hundred Twenty Dollars) the from Upgrade Fire Alarms – Undesignated Fund Balance, Account #300014.10.000.35900.0000.00.000.00.000 to Transfers In – From Capital Project Fund, Account #300088.10.993.49700.0000.00.000.00.040 for the purpose of funding improvements for the O'Maley Middle School HVAC system.

**MOTION:** On motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council to appropriate 2013-SA-129 in the amount of \$2,147.00 (Two Thousand One Hundred Forty Seven Dollars) the from High School Elevator Repairs – Undesignated Fund Balance, Account #300015.10.000.35900.0000.00.000.00.000 to Transfers In – From Capital Project Fund, Account #300088.10.993.49700.0000.00.000.00.040 for the purpose of funding improvements for the O'Maley Middle School HVAC system.

**MOTION:** On motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council to appropriate 2013-SA-130 in the amount of \$1,551.00 (One Thousand Five Hundred Fifty One Dollars) the from School Replace Fire Doors – Undesignated Fund Balance, Account #300016.10.000.35900.0000.00.000.00.000 to Transfers In – From Capital Project Fund, Account #300088.10.993.49700.0000.00.000.00.040 for the purpose of funding improvements for the O'Maley Middle School HVAC system.

**MOTION:** On motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council to appropriate 2013-SA-131 in the amount of \$2,687.21 (Two Thousand Six Hundred Eighty Seven Dollars Twenty One Cents) the from Purchase/Install

**Fire Alarms – Undesignated Fund Balance, Account #300060.10.000.35900.0000.00.000.00.000 to Transfers In – From Capital Project Fund, Account #300088.10.993.49700.0000.00.000.00.040 for the purpose of funding improvements for the O’Maley Middle School HVAC system.**

**MOTION: On motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council to appropriate 2013-SA-132 in the amount of \$26,700.00 (Twenty Six Thousand Seven Hundred Dollars) the from GHS Energy Management – Undesignated Fund Balance, Account #300064.10.000.35900.0000.00.000.00.000 to Transfers In – From Capital Project Fund, Account #300088.10.993.49700.0000.00.000.00.040 for the purpose of funding improvements for the O’Maley Middle School HVAC system.**

**MOTION: On motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council to appropriate 2013-SA-133 in the amount of \$38,973.54 (Thirty Eight Thousand Nine Hundred Seventy Three Dollars Fifty Four Cents) the from Bennett Street – Undesignated Fund Balance, Account #300020.10.000.35900.0000.00.000.00.000 to Transfers In – From Capital Project Fund, Account #300088.10.993.49700.0000.00.000.00.040 for the purpose of funding improvements for the O’Maley Middle School HVAC system.**

**Councilor Ciolino** asked if any of these funds are also the ones presented to cover the cost of bridge repairs. **Mr. Hale** stated that they are not.

4. *Memorandum from CFO re: Loan Order Authorization for the FY13/FY14 capital projects that are being proposed to City Council for appropriation in the amount of \$2,475,000*

**This matter was continued pending recommendation of the CIAB and the subsequent Mayor’s report.**

5. *Special Budgetary Transfer Request (2013-SBT-40) from CFO*

**Mr. Towne** stated that the Fire Chief has asked for \$13,500 to pay for safety clothes for the three new hires. These hires are replacing three staff that have left the force and are not additional personnel. These funds are coming from overages in health insurance where family plans had been anticipated, but employees did not take those benefits. He added that the Fire Department has requested fund for 23 sets of equipment in the FY 14 Budget.

**MOTION: On motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council the appropriation 2013-SBT-40 in the amount of \$13,500 (Thirteen Thousand Five Hundred Dollars) the from Personnel Department-Health Insurance, Account #101000.10.152.51750.0000.00.000.00.051 to Fire Department-Work/Safety Clothes, Account #101000.10.220.55810.0000.00.000.00.054 for the purpose of purchasing gear and dress uniforms for three new Fire Department hires.**

6. *Supplemental Appropriation-Budgetary Transfer Request (2013-SA-134) to provide funds for crosswalk, stop bar, handicapped parking space painting*

**Mr. Hale** stated there have been a fair amount of requests from Councilors to maintain crosswalks. He provided details regarding the painting and repair process. **Councilor Cox** asked if **Mr. Hale** knows where these repairs will be done. **Mr. Hale** stated that this is a comprehensive project and work will be done in all wards, but will not include everything that needs updating. **Councilor Cox** asked for specific area to be painted... **Councilor McGeary** stated that during discussions about the Hotel development reconfiguring the intersection near St. Peters Square was mentioned. **Mr. Hale** stated that he would like to verify that the crosswalks are not listed specifically in the Code of Ordinances as from point A to point B, but is open to reconfiguring problematic areas. **Councilor Cox** there was discussion about the structure of the islands at the intersection near Tally’s. **Mr. Hale** stated that once roads have been paved there will be consideration about where it makes the most sense to paint crosswalks. **Councilor Cox**

offered to help in any way to fix that intersection. **Councilor McGeary** asked Mr. Hale to review areas near schools. **Mr. Hale** stated that the DPW will be looking carefully at the schools, especially schools with a large population of walking students. **Councilor Cox** asked if the crosswalk in front of Gorton's will be improved. **Mr. Hale** stated that it will not because Gorton's has opted out, but they have put in a ramped curb at that crosswalk. **Councilor Ciolino** asked if it is illegal to paint the area within a crosswalk. **Mr. Hale** stated that he does not believe it is, but it is important to make sure the paint or material is not slippery. **Councilor Cox** stated that last summer there were traffic signs near the crosswalks, but they have not been there this year. **Mr. Hale** stated that they were taken in for the winter but will be put back out. **Councilor Cox** stated that another crosswalk to repaint should be the one in front of Cruiseport. **Mr. Hale** stated that it would be nice to have a wish list from the Councilors.

**MOTION: On motion by Councilor Ciolino seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council that \$50,000 (Fifty Thousand Dollars) be appropriated (2013-SA-134) from the General Fund-Fund Balance (Free Cash), Account #101000.10.000.35900.0000.00.000.00.000 to DPW Public Property Maintenance-Contractual Services, Account #101000.10.470.52000.0000.00.000.00.052 for the purpose of providing funds to contract for crosswalk, stop bar, handicap parking space and miscellaneous road marking painting.**

7. *Memorandum from DPW Director re: Council approval to pay an invoice to All Seasons Septic System Services which exceeded the limit of the purchase order as well as exceeding the limit allowed under procurement guidelines*

This matter was withdrawn.

8. *Memorandum, Grant Application & Checklist from Public Health Director re: Council acceptance of a grant award in the amount of \$4,000 from the National Association of County & City Healthy Officials (NACCHO)*

**Noreen Burke, Public Health Director**, stated that this grant will support the Medical Reserve Corps (MRC), which is a core group of volunteers who would be activated in the event of an emergency. Gloucester is the host community of the North Shore/ Cape Ann Emergency Planning Coalition efforts. These dollars will be able to go towards the salary of the MRC Coordinator, Jade Langley, trainings, supplies, and other items. These funds can be rolled over if not used. **Ms. Burke** added that the major emergency preparedness grant anticipates a 10 percent cut and this NACCHO grant will help maintain the salary of the MRC Coordinator. **Councilor McGeary** asked if the MRC are volunteers and if they are typically medical personnel. **Ms. Burke** stated they are volunteers and there are both medical and non-medical people involved. **Councilor McGeary** asked if the MRC is part of CERT or if there is any cross over. **Ms. Burke** stated that the MRC does work collaboratively with CERT, but there is not yet overlap. **Councilor McGeary** asked if this is regional, so if something happened in Peabody we would be supporting them. **Ms. Burke** said there is a database of all MRC volunteers that can be deployed to wherever there is need. Any health director in the Coalition can put a call out for volunteers from the MRC database. **Councilor McGeary** asked if Gloucester could potentially ask for volunteers from other communities. **Ms. Burke** confirmed that that is an option. **Councilor Ciolino** asked if there is any match required. **Ms. Burke** stated that there is not.

**MOTION: On motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council under MGL c. 44, §53A to accept a grant of \$4,000 from the National Association of County and City Health Officials (NACCHO) to provide funding to expand the capacity of the North Shore Medical Reserve Corps (MRC) volunteers.**

9. *Memorandum from Fire Chief re: Council approval to pay an invoice to Easton Electronics in the amount of \$5,000 with a purchase order carried over from the previous fiscal year*

*Withdrawn by Fire Chief*

**Mr. Towne** stated that he discussed with the vendor that previous payments should cover the current costs so this request is no longer necessary.

**MOTION: On motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed to withdraw from City Council consideration the Memorandum from Fire Chief re: Council approval to pay an invoice to Easton Electronics in the amount of \$5,000 with a purchase order carried over from the previous fiscal year.**

**10. Supplemental Appropriation-Budgetary Transfer Request (2013-SA-126) from City Council**

**Councilor McGeary** asked if there is a plan for improvements. **Mr. Costa** stated that this transfer is for upgrades to the Kyrouz Auditorium and the City Council Conference room. **Councilor Ciolino** stated that there is not a formal plan yet but there is a general idea of the improvements needed. **Mr. Costa** stated that right now these funds are in the Capital Projects Stabilization Fund; the motion sets them aside in the Council budget in order to have it available when the Council is ready to move forward. **Councilor Cox** stated that the City Council has been talking about these updates for a long time and asked if this is going to start moving forward soon. **Councilor Ciolino** stated that this process will start moving forward as soon as possible. There was discussion regarding the upgrades to be made and issues with the Kyrouz Auditorium.

**MOTION: On motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council that \$30,000 (Thirty Thousand Dollars) be appropriated (2013-SA-126) from Trust & Agency Funds, Account #850000.10.995.59600.0000.00.000.00.059 to Trust & Agency Funds, Account #850004.10.995.49700.0000.00.000.00.040 for the purpose of upgrades to Kyrouz Auditorium and City Council first floor conference room.**

**11. Special Budgetary Transfer Request (2013-SBT-39) from Tourism**

**Councilor Cox** asked if the entire fiscal year has already been budgeted for the Tourism department. **Mr. Towne** stated that he believes an employee worked more hours in the fall than were in the budget. **Councilor Cox** asked who approves this employee working more hours. **Councilor Ciolino** stated that this position is supposed to report to the Tourism Commission, but is currently supervised by Mr. Duggan. **Councilor Cox** stated that \$10,000 a year was budgeted for this position and should not be exceeded. **Councilor Ciolino** stated that it is coming from one Tourism budget line to another and is therefore not affecting other departments or budgets. **Councilor McGeary** commented that \$2,800 is a quarter of the payroll per year and asked what the extra hours are for. **Councilor Cox** asked how does this stop if we do not vote this down. **Mr. Duggan** stated that the transfer is needed because he has asked this employee to start with one or two more hours a week starting in January to pick up messages and return emails in response to people who are requesting information. He added that it is in the best interest of the volunteers if someone is working before the season starts. He added that he acknowledges these funds should have been budgeted for in advance. **Councilor McGeary** asked whether only \$10,000 was budgeted for in FY14. **Mr. Duggan** confirmed that it had and that he takes responsibility for asking this employee to start sooner than was planned. He added that she has been doing a great job at getting the volunteer center up and running and getting volunteers coordinated. **Councilor Cox** stated that the problem is these funds are covering hours of work that is not seen and that this employee should be supervised during these additional hours.

**Councilor McGeary** stated that additional hours were worked at the request of Mr. Duggan. **Mr. Duggan** stated a lot of footwork was done over the course of the winter. **Councilor Cox** stated that there are other departments that have part time people working more than 20 hours per week and they cannot afford to pay them. She added that Tourism has extra money because it is not being spent on what is originally budgeted for. **Councilor Cox** stated that this policy should apply across the board, but it does not. **Councilor McGeary** stated that the City should not be making working more hours than you are paid for a condition of work. **Mr. Duggan** stated that more funding for this position should have been in the budget originally. **Councilor Cox** asked if the position is it still considered seasonal. **Mr. Duggan** stated that there is still a period of time where this position is not working, but he has asked staff to start picking up messages in January. **Councilor McGeary** stated that if this is what is going to be done then it needs to be in the budget.

**MOTION: On motion by Councilor Ciolino, seconded by Councilor Cox, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council the appropriation 2013-SBT-39 in the amount**

**of \$2,800 (Two Thousand Eight Hundred Dollars) from the Tourism, General Fund Purchased Services, Account #101000.10.563.53500.0000.00.000.00.052 to Tourism, Salary/Wage-Temporary Position, Account #101000.10.563.51200.0000.00.000.00.051 for funds needed to cover payroll for Visitors Center Volunteer Coordinator through June 30, 2013.**

**12. *Memo from City Auditor regarding accounts having expenditures which exceed their authorization and Auditor's Report***

**Mr. Costa** stated that SBT-39 only requires five votes, but it was stated in error that it requires six. He added that Snow and Ice has the big deficits. He has contacted departments with deficits and they have all said there is a transfer in the works or they have been in contact with Mr. Towne. **Councilor McGeary** asked about the timeline for transfers. **Mr. Costa** stated that the City has until June 30, 2013 to approve transfers. He clarified that according to regulations the City has 15 days after June 30<sup>th</sup>, but he does not advise waiting that long. **Councilor McGeary** stated that this means all of these deficits should be resolved by the June 27<sup>th</sup> B&F meeting. **Mr. Costa** stated that Schools have projected to overspend several accounts. **Councilor McGeary** asked if the maintenance function is the same as the DPW. **Mr. Costa** stated that he believes the Maintenance function for the schools is related to IT. He added that the projections mean there is an encumbrance that is putting an account over budget. The encumbrance might be reduced or there may be a transfer in the works. **Councilor Cox** asked if the Personnel/Medicare is based on this last quarter and if it is the City's portion. **Mr. Towne** clarified that the figure is for the whole year. He added that the City has tried to move away from cutting itself checks, but there has been a problem with the automatic transfers. The money is in the accounts it just needs to be offset from one place to another.

**Councilor Cox** asked if the City has received the FEMA reimbursement for snow and ice removal. **Mr. Towne** stated the City knows that it will be about \$250,000 and might be in around September. He added that this means the City may have to find the funding to cover this deficit elsewhere. **Mr. Costa** has discussed a stabilization account for Snow and Ice and believes it to be a great idea. **Mr. Towne** stated that the City needs to start living within its means each year; it is a lot of work to find the money to cover these debts. He added that putting a freeze on spending in December is not the best way to handle this issue. **Mr. Costa** reiterated that it would be great to get the transfers done by June 30. **Mr. Towne** stated that this means all transfers would need to be done by June 17 in order to be on the June 24 City Council agenda. There was discussion regarding the best strategy to manage the deficit in the Snow and Ice Removal account.

**A motion was made, seconded and voted unanimously to adjourn the meeting at 7:34 PM.**

**Respectfully submitted,  
Jaimie Corliss  
Principal Clerk**

**DOCUMENTS/ITEMS SUBMITTED AT MEETING:**

- Actual Amount Overdrawn Report, submitted by Kenny Costa, Auditor