

GLOUCESTER CITY COUNCIL
Budget & Finance
Thursday, October 21, 2010 – 6:00 p.m.
1st Fl. Council Conference Room – City Hall

-- MINUTES --

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

Absent: None.

Also Present: Kenny Costa; Jim Duggan; Jeffrey Towne; Police Chief Michael Lane; Mike Hale; Nancy Papows; Sarah Garcia; J.D. MacEachern; Mark Cole; David Anderson

The meeting was called to order at 6:04 p.m. Items were taken out of order.

1. *Continued Business:*

A) Monthly Review with CFO, Jeff Towne re: Trust Funds (Cont'd form 09/09/10)

No action was taken on this matter by the Committee.

B) Tax Classification (Cont'd form 09/09/10)

Nancy Papows, Principal Assessor updated the Committee on the status of the Tax Classification process with the State (letter on file). She related that they have received a 'Notification of Preliminary Certification' on October 5th from the Massachusetts Department of Revenue (DOR) Division of Local Services (DOR) and that they are in compliance with the Commissioner's standards for certification. They are in the process of pulling the paperwork together to re-submit to the DOR most likely by Monday at the latest. She noted she sent something through the Mayor's Report so it could be referred out next Tuesday. They don't know when they will get final certification from the DOR.

The Committee discussed with Ms. Papows the process of the public hearings what is required by the DOR and ordinance as well as which dates would be best suited for the needs of the City. Upon the decision of dates (noted below).

Ms. Papows continued by stating she will present the package at B&F, and that's when the Committee would make their recommendation to the Council. The tax rate (as opposed to the tax classification) was another issue which has to be done separately. Tax classification is setting the factor.

MOTION: On motion by Councilor Hardy, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed to ADVERTISE FOR PUBLIC HEARING on the City of Gloucester Tax Classification with the date of November 23, 2010.

This matter is continued to November 4, 2010.

C) Talbot Rink Enterprise Fund (Cont'd from 10/07/10)

Mr. Hale stated over the last two weeks, he and Mark Cole, DPW Operations Manager, and J.D. MacEachern, Talbot Rink Manager have assembled this year's operating budget (Received at the meeting and on file). Much of the costs are imbedded in the whole facilities budget received for FY11. There wasn't any revenue projected for the fiscal year. It's not an Enterprise Account so they weren't looking

to offset that. They took last year's revenue and held it constant at \$262,900.00 which he felt was a safe line to hold it at. The personnel expenses are straight. Ordinary expenses are held from last year and are constant and held constant for this year. The operations of the facility don't change dramatically from year to year, unless something breaks. The bottom line between personnel and ordinary is just \$250,000.00 which would leave only about \$14,000.00+/- of a balance that could be potentially used for debt service or capital outlay.

Councilor Curcuru wondered what they could borrow for \$14,000.00

Mr. Towne stated they could borrow \$140,000.

Mr. Hale added that's for this fiscal year. He noted some of the pieces aren't quite evident from the budget in front of them. From FY11 to FY12 there is a decrease of personnel costs. One of the full-time personnel has retired. They'll be leaving in December. They will not owe a lot of money to that person; they are taking their vacation time right now. That will fall to the bottom line of the \$14,000.00. That salary was \$39,000.00; even if they said 50% that would be another \$20,000.00 to the \$14,000.00 because that's already budgeted for this fiscal year.

Mr. Towne mentioned health benefits.

Councilor Hardy thought it should be \$16,000.00 listed for FY12 under Personnel Expenses 5140. Sal/Wages – Health Benefits rather than \$1,600.00 to which Mr. Cole and Mr. Hale agreed.

Mr. Hale stated that would fall to the bottom line. They're trying to look at rink scheduling and what they can do to enhance the schedule. They looked at the available ice time, 7:00 a.m. and 3:00 p.m., when school is in session. Right now during that time period there's not much use of the ice. Mr. Cole is looking at options with Kim Patience for school programs that may be interested (an outside group) during school time. They need to discuss how that will be charged off.

Councilor Curcuru asked about the discussion they were going to have with the High School coaches.

Mr. Cole noted Mr. MacEachern had a meeting with the varsity coaches and informed them they have to be on the ice by 2:45 p.m. For the most part unless it's a game day, they're on the ice; GHS Varsity, or the JV's or Rockport are on the ice at that time right through the evening.

Councilor Curcuru asked if it was stressed to the coaches about taking to the ice promptly.

Mr. Cole spoke to the new computerized ice time schedule (received at meeting and on file). He reviewed that Monday and Tuesday nights the ice is used 2:45 p.m. to 9 p.m., and Thursday night 3:00 p.m. to 10:30 p.m. and other nights similarly. There are some openings in the 4 p.m. - 6 p.m. range. On game day it opens up an hour slot, like 4:00 – 5:00 p.m. or 5:00 to 6 p.m. slot; that they'll try to fill. He looked at the last 3 years schedule versus what they have scheduled so far for this year. They're close on the total hours. There are some openings. There is some Saturday evenings at 7-9 and sometimes 7-10 p.m. are open, though not every Saturday night. There's more than have been in the past. The hockey schedules are normally Wednesdays and Saturdays. Because of the way holidays fell, there are some Monday games this year. There don't seem to be as many Saturday games as in the past. There's probably 100 hours between now and spring that is in prime time spots they can push to try and sell.

Mr. Hale added they have been contacting hockey groups. When some afternoon time opened up, they contacted Rockport who wanted to move from morning to afternoon which is prime ice time. Rockport hadn't budgeted the difference, but their boosters will make up the difference. They'll be selling it to them. That opens up that morning slot that to other groups who may want less expensive ice time. Some of the policies may need looking at if a group cancels. If enough notice is given, they can resell the ice, and perhaps that group won't have to pay for it. If a figure skating group can't hold practice, they're not charged for their time. They have to set the policy for how much notice they must give; take a look at what other rinks do. There is a clearing house for ice time on the internet (www.rinktime.com) where they can post open time on that website, and it eblasts anyone who is a subscriber of the ice openings, say for a 3 p.m. to 5 p.m. opening on a Saturday.

Councilor Curcuru asked how it was previously handled with regard to billing.

Mr. MacEachern stated some were short notices, and they were billed. If there were a couple weeks notice they were not billed.

Mr. Hale stated with established rink policies they wouldn't lose prime ice time. If they know it's open, they could do an eblast to all their current groups, as the DPW does with users when there is brown water in the City that they can pre-type in to them. A lot of times people wouldn't mind taking an extra hour of practice a week.

Councilor Curcuru was confused as how the School Department could tell them they made money on this rink every year.

Mr. Hale stated if you look at FY12, rather than \$95,249.20, it should be \$80,850.00; last year seemed to be a very low year for revenue. In 2008 it was an extra \$25,000.00. The rink is making money; it's not losing money.

Councilor Curcuru asked about the blade sharpening service shown in the FY11 budget.

Mr. MacEachern stated that is for the Zamboni.

When asked regarding to the item in the budget, coca cola products, **Mr. Hale** stated this may be one of the items that's embedded in the rink budget that may touch food services too, it's a vending machine products which looks like it makes about \$1,200 to \$1,400 which is seen as projected total revenue. It's not broken down between the different types of ice time.

Councilor Curcuru noted with regard to the \$14,000.00; after you take everything off is for the remainder of the fiscal year and recognizing that it would change after January as one employee will be gone, there really isn't enough money with these projected revenues to do any substantial repairs.

Mr. Hale replied depending on the borrowing timelines, if they borrowed \$800,000.00, payment wise, short-term, long-term, could they float the short term.

Mr. Towne stated it would be two years. At \$800,000.00 the interest would be about \$16,000.00 per year for two years at 2%. For long term it would be 2.5% to 4% depending on what the market shows. It depends on how long the equipment goes for. It could be \$800,000 divided by 10 for ten years for boards, a dehumidifier, plus your interest of 2% to 3%, maybe \$100,000 per year.

Councilor Curcuru wondered if they could increase revenue and decrease expenses to support those loan payments.

Mr. Hale thought they need to increase the projected revenue. They need to take a look at the fees, and make sure the fees are comparable to other rinks in the area. They need to make sure they maximize the sale of the ice. You need to have places to escape when people leave; people take the weekend off; you need to be able to fill that time because if not that's lost revenue. It's a long season to have slots that are missed.

Councilor McGeary asked about the cost by hour. It looks like 500 additional hours just to make up on the debt service; the numbers show it's breaking even without debt. In other words to pay that debt you're looking at having to sell 500 more hours of ice time.

Mr. Hale responded that if you look at FY12, there's about \$80,000.00 in balance at the end of the year; they need to earn another \$20,000.00 (100 hours) within the course of a year. Also, they're not intending to replace the full time person retiring mid-fiscal year. Unless something changes in the facility and how it's operated; and if it did there'd be more revenue, so you could perhaps have a day person. Right now they're not looking at that.

Councilor McGeary thought they could bring in someone if they need to.

Mr. Hale stated with looking at FY12, there's \$80,000.00 at "the end of the day" operating balance, down one employee. If they needed a day person because they have programs during the day, it would offset the cost of a full-time person but felt there was no need to hire someone until that time.

Councilor Curcuru asked about the electric and where the figures came from.

Mr. Cole stated they took the average from what the School Department gave them (Mr. Hale interjected this number may be high.). There was no real breakdown between O'Maley School and the rink. They've had their electrician in, and the new meter will be installed in the next several weeks. They'll have a feel at the end of the year what the electricity costs will be which will allow them to make the adjustment for next year.

Mr. Hale stated building the ordinary expenses was challenging. There are some things that are very obvious tied to the rink. With the utilities there's no good way to do it. It would appear that the hot water

used by the rink they charged off for oil expenses to the facility. It is difficult to say why they chose \$12,000; and thought maybe it was arbitrary. They're looking at a new hot water system, whether electric or gas; and that will change the numbers somewhat. They would use an on-demand system. They currently pull off the hot water heater for the middle school. That's when there's a problem as the Zamboni holds a lot; and you have competing interests. Food Services is calling for hot water, and the rink is using it all to melt ice. It is not a good system. There was heat exchange off of the compressors, which wore the compressors down so they removed that. They'd go to a tankless system for this. They wouldn't be using the hot water to dump on the ice. They'd find a way to re-circulate some of that hot water, so it's not just a waste of water plus the waste of the heat and utilities.

Councilor Curcuru thought this was "rolling the dice" somewhat. You have some hard figures on the salary, which is a constant.

Mr. Hale believed it was the \$40,000.00 in energy which is fairly unknown. Other than that, he thought it was fairly clear what the rink expenses were.

Councilor McGeary asked what was the total cost for the whole complex in energy costs.

Mr. Cole estimated it was about \$200,000.00 to \$250,000.00 for electric annually for the complex or thereabouts.

Mr. Hale stated the complex is an "energy hog". They're still carefully tracking the expenses of all the schools so when they build the budget, which they've started, they'll know better.

Councilor Curcuru posed if they borrowed \$800,000.00 in short-term for two years; the added investment in the rink will it help them to increase their revenue; or is it keep the revenue at its current level without losing anything further because they haven't made the necessary repairs.

Mr. Hale stated, "Failure to invest in this rink will close it". Then there's no revenue, and there's an expense to the schools programs; youth programs that will have to buy ice time somewhere else. What's the percentage of ice time used by Gloucester High School?

Mr. Cole believed the high school was the third highest user and **Mr. Hale** added they pay nothing.

Councilor Curcuru asked, hypothetically, if they went to the School Department and asked them to pay for the ice time for the hockey teams what would they have pay.

Mr. Cole thought \$50,000.00 at least, probably closer to \$60,000.00, to which **Mr. Towne** agreed for the hours they use. That rate is at \$200/hr., the local rate.

Councilor Hardy wondered if that were the hypothetical case they would be looking for ice time where.

Mr. Hale noted if they didn't skate at the Talbot rink, they could sell it to Rockport. Right now they have the 5:30 a.m. slot at a reduced rate because no one wants that. You can't sell it to youth programs.

Gloucester takes the prime time. It leaves a small town that needs a rink who has always skated at 5:30 a.m. as far as he could remember. They would have to go to a Pingree or Governors or somewhere further away, Peabody, if they could get enough time because high schools take up a big block of time. They also charge a fairly high athletic fee for hockey at \$360.00 that doesn't contribute at all to the cost of operating the rink and is the highest fee for high school athletics.

Councilor McGeary stated the \$800,000.00 is to fix the rink up, make it marketable, save some energy; what if they want to keep it serviceable; what would it cost then.

Mr. Hale stated flatly there wouldn't be a difference in price no matter what they're doing with the rink. The boards and glass are worn and have been held together by the maintenance people as best they can. In some places there are dangerous pieces of board. Dehumidification is a big issue for the health of the building. It's a wood frame roof. The fog in there is terrible. That could jeopardize the structure of the facility. If it is to remain a functional rink, money will have to be spent.

Councilor Curcuru didn't see anything in the budget for advertising.

Mr. Hale thought there were two ways to handle advertising stating he talked to a few people in health clubs and how they advertise. For instance, at Market Basket they have an 8-1/2 x 11 on their marquee. It costs \$790.00/yr. to keep it there. There is money to be made on advertising in the rink. Several people have told him they would be interested. They would want it to be uniform, and a place to put it; scrolling message boards, etc. They can look to the booster clubs for an example. There are many trades' people

who have children in either youth programs or in school programs there that they may be able to tap into for ads also.

Councilor Curcuru wondered if they could do advertising on the new boards.

Mr. MacEachern stated they would be built to hold it.

Mr. Hale stated there's a lot of wall space behind the players' benches.

Mr. MacEachern added there's advertising there now that goes to the GFAA. "It's not great revenue". That was an agreement with the School Committee.

Mr. Hale continued that it was probably an issue on policy; and reiterated there were policies that were in need of review.

Councilor Curcuru asked about the snack bar.

Mr. Hale stated they're working with the Legal Department to set up an agreement so that Cape Ann Youth Hockey, who built and operates the concession area, has a formal arrangement. This makes sure they contribute to utilities and clean up of the facility. From a City standpoint, they're not in a position right now to operate a concession area. Whether or not it went out for bidding like the beaches is another option. He believed it was too soon, but thought it should be opened to at least maintain that type of flow and then in the late spring/summer have that kind of discussion with the Council and School Committee as to the best way to promote that.

Councilor Curcuru spoke to the vending machine issue with two being owned by the City and two by a private vendor. He asked if the private vendor had been spoken to and whether it was a fair and equitable arrangement for the City.

Mr. Hale stated they've been focusing on the numbers having taken a lot to get them and to make them realistic as possible. They didn't spend much time on the vending machine matter as of yet.

Councilor Curcuru asked about the pro shop.

Mr. Hale didn't believe there's been a formal commitment from the School to move the bus company out and hadn't heard anything about it yet either.

Councilor Curcuru stated the School Committee's B&F subcommittee was going to meet this Friday to talk about it.

Mr. Hale added he knew they had identified space for the transportation coordinator in the old principal's office in the Fuller School. There is room off that which could be used for training, and a room off of that for a break room for the bus drivers. They've looked at the area where the buses could go; and that with big events the buses would be moved out back to O'Maley for the weekend, like for the Cape Ann Symphony, etc. He hasn't had a commitment on the date. He spoke about simple amenities like sign-in boards for the locker rooms. When you go to a rink you know your team is assigned to Locker Room #1 or #2; or however they're designated. There's some sort of board in the lobby for that.

Councilor Curcuru stated if they accept this and go forward with the enterprise fund and the borrowing when that piece came in, they still have the MOU and wanted to know where that stood.

Mr. Hale had a question for Legal on that. He noted that the MOU stated that, "the City shall contribute \$75,000.00 of the operating balance" and wondered what if there wasn't any operating balance. If there's no balance, there's no balance. It's only for this fiscal year. After that it's done. They're projecting no balance. The most they could see is \$30,000.00-\$40,000.00. They hope for authorization to borrow this winter to bid the items that need to be done so they can be ready when they take the ice down. Perhaps they can shorten the spring shoulder season so it gives them enough time to do what is needed. They don't want to 'stop' the ice in late September. They want to make sure they get it down and get the work done before the next ice season starts. They have to work around the last month of the school year; they'll not be able to wait for the school year is done because it only leaves July and August which is too short a timeframe. He didn't know the lead time on the dehumidification.

Councilor Curcuru thought they could do some of the work in season.

Mr. Hale thought as long as it made sense to do it. But he didn't know that yet. He has to talk to some rink professionals that had rehabbed rinks. Replacement of the lights would have to wait until the ice is gone.

Councilor Curcuru thought the glass could be done during season.

Mr. Hale stated perhaps, as long as it didn't interfere with rink use; many evenings are busy, sometimes through 10 p.m. the previous evening and wasn't sure that would be feasible.

Kenny Costa, City Auditor stated with the MOU in regard to the \$75,000.00, usually that's only if you have any retained earnings. Right now the rink has no retained earnings. They won't know until you have free cash certification which won't even happen until next fall for that. There is no way they'd be able to get \$75,000.00 to the Schools out of the rink.

Mr. Hale, expressing concern, didn't know how aggressive they would be with repairs during the season. If the Council and Administration chooses to authorize the borrowing, they'd get some plans and specifications out for May and felt they'd be in good shape. If they didn't borrow until January, then they wouldn't be spending much until late summer which may fall in line with fiscal year issues.

Councilor Curcuru wondered about borrowing on a new enterprise fund where they don't really have any hard figures as they're only estimating.

Mr. Costa stated when the City goes to borrow; they borrow on behalf of the City. It could be subsidized from the General Fund or some other financing source. Payment isn't made until one year after; depending on when the borrowing is timed (until six months forward). If it is timed right they might not have to make a payment until FY12.

Mr. Towne added it would probably be in interest only. You could time it so you could borrow mid-spring, March/April and they wouldn't pay a short-term true payment until mid-spring 2012 and one more in 2013. Principal and interest starts in 2014 when you have it up and ready. A nicer rink will attract more people; and that said, how many hours extra would they be able to sell.

Mr. Cole thought 100 hours for sure, 3 p.m. to 9 p.m. Hourly rates are \$130/hr. for the early morning slot; \$200/hr. for Gloucester, \$250/hr. for out of town users. Weekends are the same. Prime time is 5 p.m. onward. The most they've done is 1,575 hours of paid ice time last and didn't see why they couldn't get more this year.

Councilor Curcuru asked if they know ahead of time when GHS is not using the ice.

Mr. Cole replied Gloucester and Rockport's schedules are all booked out. The Masco Girls Team is in for four or five games, also booked out. When the teams are playing away, that's ice time they can sell. Wednesdays and Saturdays are the two prime nights for high school hockey. Mr. MacEachern doesn't book anything until they get the high school schedule. Then if there's a Wednesday or Saturday night that's open, now you can offer it to Cape Ann Youth Hockey and so on and fill it in that way. The [school hockey] season ends during the February vacation period.

Councilor Hardy asked if there was a standard contract yet.

Mr. Hale stated it's done; and they have made some edits to it.

Councilor Hardy noted they had asked at their previous meeting for this documentation.

Mr. Hale stated they have it but it needs to be revised for a final document.

Councilor Hardy asked about the billing going forward with an invoice.

Mr. Cole stated they have a payment schedule which is in the contract and need to come up with an invoice.

Mr. Hale stated they'll use their software; and confirmed the payment schedule is in the contract. There was a lot of language that has to be changed but will relate to billing and payments and its process. They originally got it from the schools; and felt a lot of the language needed revising.

Councilor Hardy wanted to see something even if it was an old invoice and contract; and also asked for the schedule.

Mr. Hale stated they were working on the schedule as late as this afternoon noting changes from week to week. He pointed out an electronic version had not previously existed so that this had to be created first.

Councilor Hardy stated they now have a format that they built that can be electronically viable.

Mr. Cole color coded the schedule to represent different groups. (Copy submitted at meeting and on file).

Mr. Hale stated if you look at the shoulder season it's busier deeper into the season; December, January, February is very well booked and booked solid on Saturdays.

Councilor Curcuru felt they could book 24 hours a day.

Mr. Hale replied they'd have to weigh the value of having someone in the middle of the night with no one before or after them. They could have someone in if there was a desire, say, 10:30 to 11:30 p.m. they could do that but no one wants that time at this point. To make a budget and a schedule, get the rink up and running, they just got to this point.

Councilor McGeary expressed concern if they go and sign up for the money and these numbers are too optimistic, they'll be paying to pay off the indebtedness. It may be good use of our money for our kids, but they need to go into this with a "jaundiced eye" and not assuming a "pot of gold" is going to offset this. They're looking at \$100,000.00 a year.

Councilor Curcuru stated the High School eats up \$50,000 a year in revenue of possible sold time. He emphasized he was not "complaining" about that. But he wondered if they didn't have this rink, what would it cost the City or the School to send them somewhere else?

David Anderson, 16 Middle Street addressed the income by saying if they put new boards in they can advertise on the them; and is a source of revenue. If they updated the rink; they could have some industrial teams who might go up during lunchtime; and didn't feel they could ever encourage them to come with the existing situation. If that happens these people are also potential donors to buy something in the rink if they're utilizing the rink. He contended figure skating makes more money than hockey ever will because you can charge more and charge per person in terms of general revenue. The Reading rink has a "fantastic" revenue source in figure skating during the day. These won't "walk in the door because they don't have an attractive facility". He wanted to see the pro shop return to provide services. He felt there were a lot of potential revenue sources; it is not easy but it can bring money back in. You can't open it in summer; but around August 1st there is potential there because the leagues start around Labor Day and want practices earlier. "It doesn't mean its money in the bank, but it is a marketing tool."

Mr. Hale noted that what they're trying to show is an existing state of revenue that is in the positive. With a little bit of work they can go further. If they enhance the facility it would give them an opportunity to look at other sources of revenue; but the rink is not improved today. He and Mr. Cole were not out chasing programs today, but it could be done and contended it should be done. He thought they would see the revenue numbers become better; but it wasn't something they could "throw a number at today". He didn't want this to be optimistic in that sense, rather he wanted it to be realistic.

Josh Arnold, Gloucester Rotary Club president and Operations Manager for the schools, 1985 to 1988, stated many years ago when they showed the cost of the hockey team; one of the things that happens if you charge it out fully; by not showing the true cost of the hockey program, it alters the Title 9 and Chapter 622 considerations that a school district had to do as to how they portray the funds for male versus female sports. By not showing that the balance changed becoming closer. When you put that expense in that will tip the scale; and it will cause cutting in the budget. If you put in a natural cost and assigned to it, that changes the scale on how much is being paid for male vs. female sports, and under the law they have to be equal.

Mr. MacEachern noted the girl's hockey team was no longer viable.

Councilor Curcuru felt to make the enterprise fund successful, it had to come from somewhere. If you added another \$50,000.00 to the revenue, it changes everything.

Mr. Hale stated they aren't advocating charging them for it. A successful enterprise fund keeps the fund in good condition and doesn't cost anything else in funds. He believed this could be a successful enterprise. As it generates more revenue, the amount of money they need to put into it doesn't end at \$800,000.00; it is perpetual. The locker rooms are not set up well. That would have to be something to be addressed to be a more viable rink. That's another set of issues.

Mr. MacEachern noted there was a pro shop there that went bankrupt. They got a skate sharpener from it. There is a skate sharpener in house. As to figure skaters during the day, a local group tried for a number of years to promote it but was unsuccessful.

Mr. Hale thought they need to be diligent at looking at options to generate revenue to make the facility stand out.

Mr. Costa asked what they can get for \$800,000.00.

Mr. Hale stated boards, the glass, lighting dehumidification, netting, lowering the ceiling; initial set of doors right off the mezzanine and a new hot water system.

Councilor Curcuru asked about the roof.

Mr. Hale stated they'd look at the O'Maley and rink together.

Mr. Costa considered the liability insurance and wondered if it was part of the budget before them; and thought the general fund may pay for it.

Mr. Hale stated there are a significant number of indirect costs they don't see in budgets. He felt sure there were many buildings that had liability insurance they don't see in his budget at all.

Mr. Costa reiterated the General Fund pays for it and added they should be allocating the costs though.

Mr. Hale stated when they looked at this last budget they just started looking at direct and indirect costs associated with enterprise funds and thought that was a good point. As it becomes more viable, they can charge off some of those costs. He apologized to the Committee for the information coming in piecemeal; it had been challenging.

Councilor Hardy felt the CIAB needed to be involved in the process.

Mr. Duggan confirmed they would.

Mr. Hale stated the CIAB was going to be buried with capital improvements.

Councilor McGeary thought it was [up to] the Administration to make the final recommendation regarding the members of the CIAB.

Mr. Hale noted that the old capital plan has redundant projects and was called different things.

Mr. Costa reminded the Committee he needed a certificate of vote and the FY11 Operating Budget for the rink to establish the Enterprise Fund.

Councilor Curcuru asked about the deficit.

Mr. Costa stated that they're at about \$30,000.00 at this time.

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 under M.G.L. Chapter 44, Sec. 53-1/2, to establish an enterprise account for the Talbot Rink Enterprise Fund effective Fiscal Year 2011.

D) Memorandum from Community Development Director Requesting Acceptance of Remaining \$250,000.00 Seaport Bond Funds (Cont'd from 10/07/10)

Sarah Garcia, Community Development Director stated that this was a \$400,000.00 grant received a couple of years ago from the Seaport Advisory Council for economic development. Then, the Committee recommended to accept the first \$150,000.00 for the economic development plan work and held off approving for the second \$250,000.00 so they would be clear on the scope when it came back. They have a contract drawn up with the Seaport Advisory Council for the use of the remaining funds. It is a two year contract, \$125,000.00 each year. The budget that was attached (on file) the first item to be funded is an implementation manager for the plan. It is a half time role who would have a lot of maritime R&D and who can push for all parts of the Gloucester economy. It also is paying for the I4-C2 visioning. They have received 16 requests for the \$2,500.00 schematic design on I4-C2. Some small amount of money is for marketing materials to promote the City; some professional facilitation for economic development and a dockage planning study; all in the economic development plan. She asked acceptance for the funding, and then they will invoice the Seaport Advisory Council.

Mr. Costa asked for the grant application, the budget and checklist documents.

Ms. Garcia stated this contract is already in the system; the contract came in a couple of years ago. This is just accepting the remainder.

Councilor Hardy asked if there was a match on the remainder.

Ms. Garcia responded there was no match on the remainder. Seaport Advisory Council doesn't require a match usually.

Councilor McGeary wanted to know what the associated costs with further identifying reuses of the property (I4-C2).

Ms. Garcia stated, it is likely as they move the proposals forward they may have to do an existing conditions survey, legal work to prepare a contract, borings; whatever they need to do to move the I4-C2 property, it seemed prudent for the City to have some money to do that since they own it. This is development process facilitation.

Councilor Hardy asked about the half time position and if they already had someone.

Ms. Garcia stated they do not; they will advertise for the position.

Councilor Hardy asked if there would be any benefits.

Ms. Garcia replied none. They get holidays and sick time. That comes out of the budget for salary. They have 8 full time and 3 half time personnel, noting everyone is very busy. She would like to combine this position with the CPA position, ideally, and hasn't been able to make it work out. Over time she'd like to have less half time positions and have a full-time committed person.

Councilor Hardy stated this person will be paid by the grant. They'll sign their time card knowing they're under a grant.

Ms. Garcia responded most of their personnel are under grants. The Planner and the Clerk are the only ones not under a grant, rather they are funded from the General Fund. The conservation agent is funded from conservation fees. The CPA project manager is funded from the CPA administrative account which has to be kept completely separate.

Councilor Hardy asked about the dockage planning study.

Ms. Garcia stated there's been a lot of talk about long-term dockage. It is hard to do that as part of this land-based study and might be helpful to have a specific study of dockage; how they're going to preserve dockage for the fishing industry; how much is necessary; and to look at multi-use of dockage to bring in transient recreational boats without displacing commercial fishing vessels. It's been a main concern of Angela Sanfilippo [Gloucester Fishermen's Wives Association], loss of dockage for commercial fishermen. Under the implementation plan (on file), where they identify the roles, in the dockage study they propose to reestablish the Fisheries Commission. They're thinking the Fisheries Commission will work with the Waterways Board.

Councilor Hardy thought they'd need another person for that as well. It seems like they keep building more and more employees.

Ms. Garcia noted the Fisheries Commission isn't something that would come out of Community Development and thought they needed a plan for a buy in of the boards and commissions. They'll follow it as a blueprint for the next two years. They have I4-C2, putting it under a redevelopment process; and the Harbor Walk funding coming through. Hopefully they will be managing a design process and construction process on that and have something by FY12 actually built on the ground for that.

Councilor Hardy asked if any of this grant supports Ms. Garcia's pay.

Ms. Garcia responded no. They voted that the same time as the harbor plan coordinator position got voted on through Seaport.

Councilor Hardy asked about a job description.

Ms. Garcia stated Mr. Bain will put it out after the Council votes on Tuesday. This job is for two years.

Councilor Curcuro asked if the City is responsible for their unemployment.

Ms. Garcia didn't know how this works for them.

Councilor Hardy asked for Ms. Garcia to get that information for Tuesday.

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 the acceptance of \$250,000.00 (Two Hundred and Fifty Thousand Dollars) grant from the Seaport Advisory Council under M.G.L. Chapter 44, Sec. 53A.

E) Grant Application Procedures (Cont'd from 10/07/10)

The Committee, Mr. Costa and Mr. Duggan discussed the procedural aspect of grants and City departments coming to them with the short windows of opportunity to turn the grant applications around; whereas some grants take a great deal of time to research and put together; and how to make the process easier to facilitate for departments to pursue grants, especially if there is not a financial match involved.

- F) Discussion related to the TD Bank Beach Deposit Discrepancies/Status of Same (Cont'd from 09/23/10)

Chief Lane stated this was a completed investigation.

Councilor Hardy noted this was already on their agenda before Councilor Tobey's order which is not in front of the Committee this evening, but will come through from the next City Council meeting. She felt the Committee has tried to keep on top of the matter.

Mr. Duggan agreed with the Councilor and commented that this Committee had been spearheading this oversight, which has been expressed by Mr. Towne (CFO) and the Administration. He remarked the latest was a story that the reporter who was leaving the Gloucester Daily Times did, and filed under the Freedom of Information [Act] for email correspondences. There was no discussion or interviews with anyone from the City [regarding the content of the emails].

Councilor Curcuru reminded Mr. Duggan of their conversation on this subject, and that it was information that they could have given the Committee.

Mr. Duggan responded the last time they openly discussed this matter, the information he gave them was that they did receive the \$3,100.00 credited to their account. There are three accounts with TD Bank North: the main account is a contractual account; which has a contract with a cancellation clause. They're asking a legal opinion on how to exercise the cancellation clause. The ambulance and beach revenue account, has already been pulled from TD Bank North. The main account has a process they need to go through and then have to go out for an RFP on those services. Responding to an inquiry by Councilor McGeary, this was the City's general account.

Councilor Curcuru asked if payroll was drawn out of that account.

Mr. Duggan didn't have that answer for the Committee.

Chief Lane stated that the final investigative report is written. He will be releasing it to the paper at their request. The investigation is closed in the sense that it's done with but open in a sense as it remains under investigation pending any new information which they don't expect to have. "All the evidence they have leads them to firmly believe that no City employee ever took any money illegally." They think that the source of the larceny was committed in the bank. "Because of their sloppy procedures, or procedures in place that they didn't follow became sloppy; and lack of adequate video" they can't pinpoint who took the money. He contended the bank's cooperation was "halfhearted and delayed" which did not help. There was no doubt in his mind that "we have honest employees" related to this. He didn't foresee any further investigative avenues. One of the main targets "lawyered up" and indicated they would not interested in a polygraph. As far as that person's status at the bank, he was not sure. He thought the bank should have taken the opposite approach in the beginning and stated that something was wrong, and they would investigate it; and here's the suspect, "Please keep our good name clean." But that was not the case. It remains unsolved in the sense of who committed the larceny.

Councilor Curcuru stated unless they call the police in to investigate on their behalf, and they've reimbursed the City, there really isn't anything the police can do unless they call them in to investigate for them.

Chief Lane agreed and stated they've "made whole".

Councilor Hardy stated that the City has been made whole; \$3,100.00 has been paid which the City believed to have been shorted. At one of the last meetings she asked if any of the City employees were involved or any wrongdoing on their part, the answer was no. What they'd like to have been more public is that none of their employees were at fault in this. "All the negativity is hitting the paper. These poor

people had their names dragged through the mud.” She felt they need to make more of the fact that City employees didn’t have anything to do with it.

Mr. Duggan stated during the investigation there were certain operational procedures that were questionable that they had to deal with internally on a personnel matter.

Chief Lane stated because of that, suspicion was cast on them. Subsequent developments, meaning the bank employees, took away the focus from City employees. He did not question the loyalty of the City employees involved.

Councilor McGeary asked the Chief if the police report was able to state the positive fact that they were able to eliminate City employees from suspicion.

Chief Lane didn’t think it said “eliminate”; but that it said something to the effect that it focused on them. The gist of the report shows that it was bank employees once the money was dropped into the bank.

Councilor Curcuru stated in the beginning, the procedures that were in place were not being followed by City employees.

Mr. Duggan stated there were weaknesses that they recognized that they need to rectify; and they took steps to do that and will make sure in future to look at other areas, with counters, with cameras there; having a whole different process that will be in place. It is their goal on the City side at the booths [at the beaches]. There were some areas they needed to improve on that and have.

Councilor Hardy reminded the Committee they had briefly discussed this matter of the booths during budget review.

Councilor McGeary asked if the “holes have been plugged”.

Mr. Duggan confirmed that was the case.

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

Mr. Costa reviewed his reports submitted prior to the meeting (on file) with the Committee.

3. Memorandum from DPW Director re: Supplemental Appropriations Request (#2011-SA-1) in the amount of \$50,000.00

Mike Hale, DPW Director requested a Supplemental Appropriations Request be approved by the Committee in the amount of \$50,000.00 from the R/A Highway Force-OFS Transfer Out account to be deposited into the Public Services Paving account in order to have funds available for autumn paving contract. This contract was for paving.

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 the transfer (#2011-SA-1) in the amount of \$50,000.00 (Fifty Thousand Dollars) from R/A Highway Force-OFS-Transfer Out, Unifund Account #294015310.991.59600.0000.00.000.00.059 to Public Services Paving, Unifund Account #101000.10.470.58415.0000.00.000.00.058 to fund autumn paving contract.

Mr. Hale updated the Committee on the City’s paving projects and the CSO project.

The Committee thanked Mr. Hale and his staff for their efforts.

4. Memorandum from Police Chief re: acceptance of a “Secure Our Schools” Grant in the amount of \$38,888.00

Police Chief Michael Lane recounted for the Committee that this summer the Police Department applied for a federal grant named “Secure Our Schools” (SOS) through the U.S. Department of Justice for the

purpose of improving security in the Gloucester Public Schools through the enhancement of school security equipment, such as security cameras and improved communication hardware. The grant originally required 50% cash match and now is 100% because of certain disallowed costs and will still be matched by the School Department. Superintendent Connolly has identified a source in their budget to fund the match. He asked the Committee to approve the acceptance of these grant monies. The grant is \$77,000.00 in total. \$38,888.00 will be matched by the School Department. They disallowed the unified communications system that was put in and at Fuller School, hardware for security. The paperwork (the actual grant award letter) is with the Mayor and tomorrow or Monday it will be sent out to be processed. The grant period is for two years. It expires September 2012. He fully expects the schools to have their plans in place by then. Dr. Goodwin is looking at other schools with these types of systems and has a blueprint in place for a surveillance system; and to have a single camera and buzzer on the other schools. **Councilor Curcuru** asked when this gets installed will maintenance fall to the DPW or is the school responsible for the maintenance 100%.

Mr. Duggan thought it would be the school's responsibility; and he would send an email to the Superintendent and copy the Chief and the B&F Committee for clarification.

Chief Lane stated they were just the facilitator for the grant and they'll have to do the quarterly reports and the final accounting. The school intends to monitor in-house. Somewhere down the road there would be some physical hardware if they chose, say on Halloween night, they could hit a switch to have it go to the station for monitoring. For now, unless Superintendent Connolly and Dr. Goodwin change their minds, it is their intention to keep it in house. Any problems that develop, they'll do the research, playing back tapes, finding the incident on tape; they'll go down, look at the tape, take the CD and go forward.

Councilor McGeary commented they'd treat it like any business that had a private security system, they would maintain it; if there was a crime, they'd call the police, and then they would go and look at the tapes.

Chief Lane confirmed that.

Councilor Hardy asked if there is vandalism the school policy would be to notify the police; and they would be filing a police report.

Chief Lane responded if that was their policy, which he didn't know what it was to date. Any time they want to file a police report big or small, they will accept it.

Councilor Hardy stated she was "tired of the taxpayers footing the bill" for vandalism when they have the availability to identify or at least attempt to identify who may or may not have done it. "If the tapes help them to do that, fine." But she contended in order to file an insurance claim or restitution; they (the school) can't assess restitution, only a judge can.

Chief Lane replied it goes through the court. To the Councilor's point, he related that he spoke with Suzanne Egan (City Solicitor) and who thought a police report wasn't required to be filed for them to make an insurance claim for the City.

Councilor Hardy disagreed; having been in the industry she stated her experience showed insurance companies refused to do it, unless they went to the police.

Chief Lane replied whatever the case is, he would be happy to accept it either way. When they go to court, they'll ask the school for an estimate on the repair and send that into the judge who will order restitution.

Councilor Hardy the School can't order restitution.

Chief Lane stated once the City accepts "penny one" without going to court, it's now a civil matter; they can't say they only paid half and now we'll go to the police. The proper way is for the police to initiate the criminal charge with the court; as long as they file a complaint. Any restitution that's agreed upon and paid can go through the system and the police can withdraw the complaint. Once a complaint is in, it can be paid off; the injured party can be made whole; and the complaint can be withdrawn without prejudice.

Councilor Hardy asked why they would be the ones to file a complaint. Why would it not be the police who file the complaint?

Chief Lane clarified he was talking about filing a police report. The school would be aware of the damage; they would call the police. If they have no idea who did it, the police take a report and will document that in a report so they can submit that to the insurance company. That is the way it is handled in all the other businesses. If there is a different way that the school decides to do it, that's not the way everyone else handles it. If they have a suspect, they can identify the person and what act they committed, and the police will take all the information, write a report, submit a criminal complaint application to the court and most likely it will be issued; and there'll be some kind of adjudication. And if that person pays it back they can withdraw the complaint.

Councilor Hardy reiterated the schools can't order anyone to pay restitution. Therefore, it comes out of the maintenance account and it doesn't get spent on regular wear and tear.

Chief Lane stated anything over \$250.00 is a felony. They follow that through the courts.

Councilor McGeary read from the agenda from the Joint Council meeting, a document submitted by the School Department regarding damage to school property (on file previously under Special Joint City Council/School Committee Meeting; back up documentation submitted at that meeting on file at the School Department).

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 under M.G.L. Chapter 44, Sec. 53A, from the U.S. Department of Justice a "Secure Our Schools" grant, #210CKWX0707, ORI#MA00508 for \$38,888.00 (Thirty-Eight Thousand Eight Hundred and Eighty-Eight Dollars) with matching grant of \$38,888.00 to be supplied by the Gloucester School Department.

5. Memorandum from CAO re: permission to pay expenses incurred in FY10 by former Commission Volunteer Coordinator with FY11 funds

Mr. Duggan asked the Committee to allow for the payment of \$161.93 incurred in FY2010 by Carolin Catalano, former Volunteer Coordinator for the Gloucester Tourism Commission. Ms. Catalano, hired in April or May of this calendar year (last fiscal year), he had given Ms. Catalano the discretion to purchase any supplies within reason for the volunteers and getting the place ready and for the continued upkeep of it; office or maintenance supplies, etc. At the time she resigned her position, she notified him she had some outstanding receipts she didn't turn in. He stated she would be reimbursed less the taxes; but they'd have to go through the Council process. The Administration is asking permission to use FY2011 funds for payment to Ms. Catalano. Receipts for the supplies were included with the memorandum and are on file. They are:

Costco	05/21/10	\$23.99
Staples	06/01/10	60.98
Staples	06/30/10	<u>76.96</u>
	TOTAL	\$161.93

Councilor Hardy asked if people they hire understand the procedures to purchase goods and follow the policies. She thought perhaps they should have a document they have to sign, if they're authorized.

Mr. Duggan thought if by chance an individual called and said can they purchase erasers, if you want to go get them, we have to set you up as a vendor or a P.O. is made. They don't have a P.O. with Staples. He thought they could. He gave her the latitude, and thought the Councilor brought up a good point.

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 pay \$161.93 in expenses incurred in FY2010 with FY2011 funds for reimbursement to Carolin Catalano, former Volunteer Coordinator for the Gloucester Tourism Commission.

6. Memorandum from DPW Director re: acceptance of donation of 100 toilet seats for Gloucester Public School buildings from the Carroll K. Steele Insurance Agency

Mr. Hale stated that as they recall when Public Works took over facilities management of the schools, one item pointed out in dire need as identified by the high school maintenance custodial staff, they had many toilet seats needing to be replaced that were in terrible condition. Steve Dexter of Carroll K. Steele insurance wanted to make a direct gift of the seats and went out personally and actually ordered and purchased the seats from F.W. Webb, (statement received at meeting and on file). He notified them to pick them up, and they've already been installed. They're open fronted, black so they wouldn't see the sharpie marker graffiti. Toilet seats in that quantity to be replaced was embarrassing. Mr. Dexter saw that; that's what businesses do, they reach out and try to help where they can. This may seem small and odd gift, but it is greatly appreciated and a great gesture from Mr. Dexter and Carroll K. Steel Insurance Agency.

Councilor Curcuru was asked by Mr. Dexter if he could he do it anonymously; but he wanted Mr. Dexter to have appropriate recognition for his civic-mindedness.

Mr. Hale added that it was irrelevant what the purchase was; it was something that was very nice.

Councilor Hardy thanked Carroll K. Steele Insurance Agency for coming forward as a great participant in the community as did all the Councilors.

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 acceptance of a tangible gift from the Carroll K. Steele Insurance Agency under M.G.L. Chapter 44, Section 53A-1/2 of 100 toilet seats for the Gloucester Public School buildings, with a cash equivalent of \$1,489.00 (One Thousand Four Hundred and Eighty-Nine Dollars).

7. Memorandum from DPW Director re: MADEP Capital Improvement Grant Program

Mr. Hale explained he understood they're supposed to come prior to the grant application to the Committee that due to time constraints of the application for the Mass Department of Environmental Protection Capital Improvement Plan Grant Program for Medium and Large Public Water Systems (MADEP) which provides capital improvement programming for water infrastructure, he his requesting an after the fact submission approval from the City Council. He hoped that the money received would be in the amount of \$7,000.00 and is has an in-kind match of services. It is for the water plant. It will still get them one step further they don't have to borrow on. They'll hear in a few months. If they were successful, they'll be back for the acceptance.

Councilor Curcuru thought that the timetables were so short on these grants; and at some point this committee has to think about what the limit is; and whether they need to someone come before them to apply for a grant, if there's really no need to. The Council has to vote to accept a grant, but do they allow them to apply for any grant and not come before the Committee, or do they come before them if it is a matching grant. A matching grant must go before the Council for a vote.

Councilor Hardy wondered when was the last time the Committee or the Council refused to accept a grant.

Councilor Curcuru responded an in-kind grant was not a problem; but when they were talking matches in dollar amounts that weren't coming out of departmental budgets, that might be something different.

Mr. Duggan stated it's that the word is out not come before the Committee or the Council; rather, it's more to make sure they have a funding source before going to the Council. With today's financial limitations they want to be aggressive in leveraging other resources in seeking grants that don't require a match. "Would it be easier on staff to come before the Committee if it doesn't require a financial match, absolutely; would it be the Administration's recommendation that any financial match that's required, that eliminates in-kind matches; absolutely they come before the Committee before they apply."

Councilor Curcuru reiterated they can apply for the grant, get it but the Committee and Council doesn't have to accept it if it doesn't have a dedicated funding source; or are they opening up the door for anyone to apply for any grant.

Councilor McGeary stated the idea that this could be a phone call; if it's a match or in-kind matches and check it before they do it.

Councilor Curcuru stated if a department head is going to apply for a grant they notify the Administration discusses it with them and covers it by looking into how it will be covered, funded.

Mr. Duggan stated the first question that the Mayor or he asks, is a match required; and the second, where is the funding source. Then, what is it for. They do their fiscal due diligence. "Does it open Pandora's Box if there is no B&F oversight for non-matching grants?" He didn't believe so.

Councilor Curcuru stated their recourse is not to accept the grant monies.

Councilor McGeary stated that if people don't come for them for approval to apply for a grant, there is an oversight when they come to ask for the acceptance.

Mr. Hale their grant is about guaranteed and it is very specific to capital water planning. "It is almost guaranteed they're going to get it because it is so small so everyone can get it". He reminded the Committee of the leak detection program that was funded by the State for \$49,000.00 which was very successful. These are specific programs with criteria you have to follow. They've done projects to Seaport that are project specific where you submit plans and they grant you funds for the project.

Mr. Costa pointed out this is a State grant.

Councilor Hardy asked about an application grant form checklist.

Mr. Hale stated no, this is one he forgot and would submit it to Mr. Costa.

The Committee discussed the procedural aspect of grants and departments coming to them with the short windows of opportunity to turn the grants around, and then some take a great deal of time to research and put together and how to make the process easier to facilitate (also taken up under #1, E) above).

MOTION: On motion by Councilor McGeary, seconded by Councilor Hardy, the Budget & Finance Committee voted 3 in favor, 0 opposed to permit the Department of Public Works to apply for a Mass Department of Environmental Protection Capital Improvement Plan Grant Program for Medium and Large Public Water Systems in the amount of up to \$7,000.00.

8. *Memorandum from Comm. Dev. Director re: Community Preservation Committee's recommendations on the first round of project applications for the Community Preservation Act funding (TBC)*

Councilor Curcuru announced that the Committee would continue this matter to a special meeting on Wednesday, October 27, 2010 at 6:00 p.m.

9. *Petition of 64 signatures submitted by Gail B. Misk re: removal of outdoor cameras from City of Gloucester*

Mr. Duggan stated there would be a 45 day review and would follow through on that. He told of a recent situation where he felt Chief Lane's staff was to be commended. They were at the Harbormaster's office and were looking at the accuracy of the cameras and clarity; they zoomed in at a license plate, a random one, when all of a sudden the joy stick control was taken away from the Harbormaster as a result from the control room of the Police Department because they didn't know who was controlling it remotely.

Chief Lane stated they have a 46" monitor on the wall at the police station divided up into 16 blocks, each block representing one camera. Ninety percent of what shows is water views, the breakwater, the canal, the Fish Pier, etc. You can't see anything of detail until you focus it and zoom in. Generally it's focused on one or two things. The system has just been changed to record for a year, whereas before it was for 30 days. Each screen has a default screen. If an officer is watching the train station, if it isn't

touched after five minutes the system “kicks back” to what it was programmed for a default. They’ve been used several times. In August they had a case where some kids at about 1:00 a.m. -2:00 a.m. stole a dinghy; used it to steal items from boats. They had three or four boat owners broken into. The station was able to monitor the progress of the dinghy and communicate the location to the cruisers and apprehend them. They were able to monitor the fire at the A. Piatt Andrew Bridge from the camera at the railroad bridge. They followed a man sitting outside the Wingersheek beach ladies room for several hours this summer whom a couple reported to the police; and they used the cameras to find the man to investigate the reason why he was outside the bathroom for several hours; they also have been used to locate a lost child on a beach as well from the camera at the Annisquam light; which are just several examples how the cameras have been used since their installation. Rockport and Manchester do not have these cameras, Salem does. This was funded by the U.S. Department of Homeland Security for Port security.

Councilor Curcuru asked why there is a camera on Maplewood Avenue for the 7-11.

Chief Lane stated that camera is on the corner of the Gloucester Mill building on the roof at the front corner closest to the Maplewood Park buildings which gives a panoramic view of the harbor. It meets the criteria. It is for the Police Department. He noted the other night there was a fight reported in that location. The cruisers there didn’t see anything, but the officer at the station was able to locate the man who started it and pointed out the man to the officers who were on the ground there. This camera’s [location and use] does fall within the guidelines.

Councilor Hardy remarked Gloucester is a port City.

Chief Lane added because of that technically it could be the whole City, any avenue to the port. He also thought they would be best served to have cameras on Main Street. But they chose the locations where they are now installed, instead. Many ports put the cameras close to the water for their ports, docks and harbors. It is not a violation of the agreement to put them on streets.

Councilor Hardy thought if a crime began on the water, and someone is coming into our port, and the police are in pursuit, they’re not just going to focus on the water; they should be able to track a crime being committed through the City.

Councilor Curcuru contended it was for the port, for water access [points].

Chief Lane posed the question if the Port is just the dock. He stated the current thinking among towns that have these cameras is that they’re generally close to the water.

Councilor Curcuru responded that the camera on Maplewood Avenue, the Chief had admitted it was “for them”.

Councilor Hardy reiterated “we are a Port City” and that the cameras aren’t focused on places where we have a reasonable expectation of privacy.

Councilor Curcuru clarified he did not have a problem with the cameras at the waterfront and that the Chief admitted that one was for them. Was that one the only camera ‘for the citizens’?

Chief Lane responded this is for the safety of all the citizens. He reiterated his belief all the cameras were placed within the parameters of the grant. He foresaw a day ten years from now where there would be a camera outside of the police station that would look down Main Street to the West End that would show them the storefronts. They are all public places; and there is no expectation of privacy. He could put an officer on a bicycle down on Stacy Boulevard; people would think that’s great; but not a camera. They will review the cameras. If there is a concern about houses being in view, there are filter options. He welcomes the review.

Councilor Curcuru and **Hardy** thought they’d do a site visit of the different locations. The monitors are at the Police Station, the Harbormaster’s office and at the Coast Guard station.

Chief Lane agreed he would take them to the spots.

Councilor Hardy expressed that she was not opposed to the cameras personally.

Chief Lane stated they have 17 screens in the dispatch room for the officers to monitor and are not abusing the use of the cameras. They use them if they hear there’s a fight somewhere; if there is a car crash; a fire.

Councilor Hardy commented it helps them to set priorities when calls are “stacked up”.

Chief Lane expressed his view that it would be backward to consider getting rid of the cameras.

Mr. Duggan stated over 40 years of law enforcement experience made the recommendations for where the cameras should be located for the safety and benefit in the Port City of Gloucester. Historically there has been illegal activity on Maplewood Avenue. "Why not put a preventative measure that can help," perhaps in fighting crime.

Councilor Curcuro asked who guided the locations of the cameras.

Chief Lane stated that Lt. Aiello, who had initiated the grant in 2007, made the recommendations for the locations, to which he agreed. They put them close to the water.

Councilor McGeary added they stayed within the letter of the law.

Chief Lane agreed and thought they could have gone anywhere in the City; and the "grant people wouldn't have batted an eye" and said they were in compliance. They [the Police Department] are not "Big Brother"; they're concerned with one thing - public safety.

Mr. Anderson interjected that every major city has these cameras.

Councilor Curcuro added when their constituents ask them about this matter, they need to have answers.

Chief Lane listed all the crimes in and around the 7-11 on Maplewood Avenue and at the Train Station.

Councilor Hardy felt that people know they have cameras in the City and was a deterrent to crime.

Chief Lane stated there is an element of trust. They have to trust that they are not "peeping in windows. They just don't do that." There are policies in place to prevent abuse.

Councilor McGeary agreed there had to be a certain level of trust.

The Committee took the petition from Gail B. Misk of 64 signatures under advisement and also received a petition in from Michael Lane, citizen, in support of the cameras; date and time stamped by the City Clerk's office, filed properly with 66 yet to be certified names (on file). They will receive the Mayor's report on the matter in 45 days from that day. Mr. Duggan noted that the Administration would request to give a presentation in front of the City Council.

This matter is continued to December 2, 2010.

10. Gloucester Rotary Club's Efforts re: Tony Gentile Memorial bandstand re: Donation

Josh Arnold, Rotary Club president stated the Gloucester Rotary Club has a history giving to the community and gives about \$30,000.00 to \$40,000.00 annually to charities locally. They have done about \$180,000 in renovations at Stage Fort Park and have helped to make it handicapped accessible. In partnership with the City, they obtained CDBG funds for some of the handicapped accessibility work. They've also tried to help maintain the Tony Gentile Bandstand. They do the work as an outing each spring to mulch and weed, etc. What they observed that it was getting ahead of them and more than they could do. The majority of those folks are 60 years old and up, and it has become hard for them; they are a volunteer organization. They voted to allocate \$3,500.00 towards treating the ceiling inside, to power wash scrape and paint the columns and top of the gazebo on June 28th. They will contract it out and handle all that. It just needs to be accepted formally as a gift

Councilor Curcuro asked about the going out the bid.

Mr. Costa stated it's under \$25,000.00. It's part of 30B. If it's over \$25,000.00 you have to go through the bid process.

Councilor Hardy stated this is an in-kind gift of services for work they did as opposed to cash.

Mr. Arnold confirmed the work has already been done and were not giving any money.

Mr. Costa thought they were getting the money. He believed it said it was \$3,500.00. It falls under a different section of the law.

Mr. Arnold stated they had to put a dollar amount on it and did \$3,500.00.

Mr. Costa explained to Mr. Arnold that because it's on City property and if it's a cash donation, it falls under 53A, and they would accept that donation. If it's \$5,000.00 to \$25,000.00, they have to follow the bidding laws and get three quotes.

Mr. Arnold thought it would be nice to set a revolving fund for the revenue for rental of the bandstand and they would contribute to it; but didn't know how long they could continue to provide for it.

Mr. Costa stated they could set up a revolving fund.

Mr. Hale confirmed that the money goes to the General Fund, and it's about \$2,000.00 a year in revenue and didn't think it was worthwhile to set it up for that amount of money. It just needs to be prioritized.

Councilors Hardy and McGeary thanked the Gloucester Rotary to their continuing support.

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 acceptance of a general gift in the approximate amount of \$3,500.00 from the Gloucester Rotary Club under M.G.L. Chapter 44, Section 53A-1/2 for the maintenance for the Tony Gentile Memorial Bandstand.

A motion was made, seconded and voted unanimously to adjourn the meeting at 9:05 p.m.

Respectfully submitted,

**Dana C. Jorgenson
Clerk of Committees**

DOCUMENTATION/ITEMS SUBMITTED AT MEETING:

- Petition of 66 signatures in favor of cameras provided by the Homeland Security grant submitted by Michael Lane, citizen;
- Receipt from F. W. Webb Company for 100 toilet seats, black for a total of \$1489.00 submitted by DPW Director, Michael Hale;
- Talbot Rink paperwork submitted by Mark Cole, Operations Manager, DPW:
FY11 Operating Budget/Talbot Rink Enterprise Account
Talbot Rink Schedule
Draft Ice Time Agreement
- Email from Clerk of Committees to Jim Duggan/Mike Hale re: Information check list for 10/21/10 B&F meeting;
- Re-submission of September 20, 2010 memorandum from Sarah Garcia to the Mayor re: CC Acceptance of Seaport Bond Funds for Economic Development with attached scope & Budget for 2 Year SAC Economic Development Funding