

Gloucester Community Preservation Committee

Committee Meeting Report for November 15, 2010

Members attending: Stacy Randell, Sandy Dahl-Ronan, Karen Gallagher, Dan Morris, J.J. Bell, Scott Smith
Members absent: John Feener, Bill Dugan
Staff: Matt Lustig, Community Development Staff; Kenny Costa, City Auditor

1. The meeting began at 7:00 p.m. The CPC noted the hour was marked by the ringing of city hall's clock tower bell. Ms. Randell moved to adopt the minutes (v3) of the meeting held on October 13, 2010, without amendment; Mr. Bell seconded, and the committee unanimously approved the motion.

2. Ms. Dahl-Ronan introduced Mr. Costa, the City Auditor, who spoke to the CPC about accounting for the CP project awards, the mechanics of bonding, and the timing of funding availability, among other matters. Most of his briefing followed notes provided in a printed (Powerpoint format) handout, which is incorporated as a supplement to this meeting report.

Two topics that arose were not addressed in the handout. First, with respect to the possibility of issuing a bond to fund the city hall project, Mr. Costa talked about bond anticipation notes (BAN). A BAN is a short term loan that would provide funds during the current fiscal year and should cover costs until the bond for the bulk of the expenditure is issued. Mr. Costa noted that bond issuance should be phased so the availability of the funds (and the associated debt obligation) tracks along with the needs of the project. The BAN and the initial phases of bond issuance most likely will not incur the full debt obligation anticipated by the CPC .

Then the CPC discussed at some length the timing of CP funding availability. The key points of the discussion are as follows.

- The Budget & Finance Committee's (B&F) recommendation to the full Council to fund CP projects must include a specific recommended source of funding.
- The City must take systematic precautions to avoid deficit spending.
- When the CPC submits a budget at the start of the fiscal year, the budgeted expenditures precede collections for that year. Therefore, any recommendation for awards from the current year funds are noted to be from "anticipated/estimated receipts."
- At the end of the fiscal year, the three 10% blocks of the prior year's CP funds for each of the required spending categories are dubbed as "designated reserve" and are available for award to project proponents. The remaining amount is still considered to be anticipated/estimated receipts until the accounts are certified by the Department of Revenue, which usually occurs in November, and upon which the funds are available for award. After account certification by the DOR, these remaining past-year funds are considered "undesignated reserve."

- Recommendations to make CP funding awards using current year (anticipated/ estimated receipts) are possible, but the Council and the CFO will want to guard against the possibility of deficit spending. On average the City's current year collections are 94% of the total anticipated amount.

The co-chairs thanked Mr. Costa for speaking to the CPC, and he offered to return in the future to update the committee on project accounting and to answer any further questions.

3. Mr. Bell has been investigating alternatives for signs that would be posted at CP project work sites. The Department of Public Works and Gloucester High School do not have the capability to make the sort of sign in which the CPC is interested. Mr. Bell had a prototype sign fabricated by The Signery. The sign has white vinyl lettering on a blue background. An alternative to the vinyl would have the lettering painted on to the sign. Mr. Bell got cost estimates from The Signery and Seaside Graphics to fabricate signs with both lettering alternatives.

	<u>Vinyl letters</u>	<u>Painted letters</u>
Signery	\$165	\$135
Seaside Graphics	\$150	\$170

Mr. Morris moved that (a) the CPC authorize Mr. Bell to procure 9 additional signs – 4 with vinyl lettering and 5 with painted letters – using funds from the administrative account and (b) the purchase be made in the most cost effective manner; Ms. Randell seconded the motion; and the CPC unanimously approved the motion.

4. The B&F has been meeting to discuss the CPC's funding recommendations. The meetings were on October 26 and November 4 and 10. A final meeting is slated for November 16 to cover the north Gloucester woods study and the city hall project.

B&F members have raised several questions about the project proposals. They sought an assurance that the schooner Adventure would remain in Gloucester. The B&F sought documentation of the Universalist-Unitarian Church's status with respect to the National Registry of Historic Places, and they asked for information on use of CP funding for projects in churches. Mr. Lustig is poised to respond to these and other questions at the next B&F meeting.

Mr. Bell noted that in the B&F forum, the CPC members' role shifts from that of a buyer (*i.e.*, a critical reviewer of the project proposals) to that of a seller (*i.e.*, an advocate for the decisions of the CPC) and project supporter.

5. The CPC is still entertaining the question of whether to have one or two proposal and funding cycles in calendar year 2011. The information from Mr. Costa about the availability of funds will be considered when the CPC takes up this question at its next meeting.

6. The next meeting of the CPC will be at 7:00 p.m. on December 8, 2010.

7. The meeting adjourned around 9:00 p.m. on Ms. Gallagher's motion, Mr. Smith's second, and the CPC's unanimous consent.

Documents used during the meeting

1. Printed Powerpoint handout, "Community Preservation Act, Project Accounting," by Kenny Costa, City Auditor, November 15, 2010.