

At a meeting of the Town Council holden in and for the Town of Gloucester at Ponaganset High School on April 16, 2016:

I. Call to Order

The meeting was called to order at 2:00 p.m.

II. Roll Call

Members Present: George O. (Buster) Steere, Vice President; William Reichert, Edward Burlingame and Steven Sette.

Absent: Walter M.O. Steere, III, President

Also Present: Susan Harris, Deputy Town Clerk; Tim Kane, Town Solicitor; Diane Brennan, Finance Director; Greg Agnone, Budget Board Chair and Patricia Dubois, Superintendent of Gloucester Schools

III. Pledge of Allegiance

The Pledge of Allegiance was recited.

IV. Budget 2016/2017

A. Operating & Capital Improvement Budgets
Discussion and/or action

Councilor G. Steere declared the Public Hearing Open and explained that this Public Hearing is to review and discuss the budget, as recommended by the Budget Board and amended by the Town Council for fiscal year 2016/2017.

Councilor G. Steere stated that the meeting will now be turned over to Greg Agnone, Chair of the Budget Board.

G. Agnone stated he would like to review the higher level revenue & expenses for the 2016/2017 budget and then open up the meeting for questions and answers.

Revenue:

G. Agnone stated that 75% of the revenue is from taxes and other sources include licensing fees, miscellaneous revenues, other school revenue, municipal aid and adjustments for abatements in the amount of \$110,000.

Expense:

G. Agnone stated the schools in our town, including the Region, make up 71% of expenses: Gloucester schools at 9.8 million & the Regional school at 10.3 million. G. Agnone further explained the Town expenses were at 7.1 million; Special Appropriations \$365,000, Capital Items \$530,000 (listed in budget) and Debt Payment \$287,000, (last year the amount was \$568,000 the decrease was result of a bond maturing.)

G. Agnone stated the amount of revenue to be raised by taxes is \$21,587,379, an increase of \$383,349, or 1.81%. The Budget Board Chair explained when broken down the tax rates would be: Residential \$22.37, Commercial \$25.42, Motor Vehicle \$24.37 (remained the same from current year) and Tangibles \$44.43.

Greg Agnone stated that was the high level overview and will now open the meeting up for comments.

Frank Reagan, (no address) indicated that he found a legal notice in the Providence Journal in which Ponaganset High School is advertising for a strength conditioning coach. Mr. Reagan asked why gym teaches weren't utilized. Mr. Reagan stated the cost to the school is \$14,000 per student. Mr. Reagan stated the Region is spending money on tennis courts, sport fields, lacrosse fields and kayaks. Mr. Reagan stated the Town Council needs to control the Regional School Budgets, and if not we have three choices raise taxes, cut services or lay off personnel.

Councilor G. Steere stated that the Town Council can't control the region and the time to do that would have been a month ago at the Regional Financial Meeting.

G. Agnone stated that until there is a board member that is fiscally responsible our hands are tied.

F. Reagan stated that until there is someone on the School Committee that can control the spending nothing is going to change.

Councilor Burlingame stated that more people need to attend the Regional Meeting to control the budget and different people need to be on the School Committee in order for change to happen. Councilor Burlingame stated that people need to understand the budget that is presented at the Regional Meeting.

Councilor G. Steere concurred with G. Agnone that until there is a change on the school committee nothing is going to change.

Rick Nadeau, (no address), stated that we have the 2nd highest per student cost in the state and the 10th highest pay for teachers. Mr. Nadeau questioned why we can't do something about this and that now is the time.

Dave Steere, 1311 Putnam Pike, questioned Page 1 - a Special Appropriations of \$300,000 going into Capital Reserve. Mr. Steere asked how that is going over to the school side so that the money can be spent on the improvements.

Councilor Sette stated once the work is scheduled, gets done and the bills start coming in the money will be transferred to pay the bills.

Councilor G. Steere stated he is not sure how the process will play out and perhaps the town and the

school will each pay half in matching payments.

D. Brennan stated she doesn't recommend cutting two checks, perhaps the money could be transferred to the Capital Fund from both sides and as the bills are received they can be paid. D. Brennan stated another route could be to pay all from the School side and once depleted we could draw from the Town side.

D. Steere questioned whether it is a separate vote on the ballot during the all day Referendum, and referred to last year's Special Appropriation for Recreation in the amount of \$80,000, which got defeated.

Councilor G. Steere stated that they (local schools) are town buildings and we have made the commitment to fix the buildings.

Councilor Burlingame stated that perhaps we should call it something different other than special appropriations. Councilor Burlingame further stated the Town Council made a commitment to assign \$1,500,000 out of surplus for capital improvements over a five year period.

D. Steere questioned : Page 4 - Town Council Budget, has a line item of \$750 to film Town Council Meetings, and asked what progress has been made. D. Steere asked why we keep putting the money back in the budget if we can't find an individual.

Councilor Sette stated that no one has come forward to tape the meetings.

D. Steere questioned the following: Town Clerk - Fringes up.

D. Brennan stated that an employee is now getting a family plan for health coverage

D. Steere questioned the following: Page 5 - Board of Canvassers, Miscellaneous Expenses increased \$1,000, perhaps miscellaneous expenses need a title for themselves.

D. Steere questioned the following: Building/Zoning increase due to Building Official becoming full time.

Councilor Sette stated the additional expense for the Board of Canvassers may be due to the Presidential Primary.

D. Steere questioned: Page 6 - if Town Planner increase is due to the fact that the position is going full time also does the budget reflect a family health care plan. Dave Steere stated that the town should have Planner in place by the 2016/2017 budget.

D. Brennan stated that yes the budget does reflect family health care plan for the Planning Department.

Page 10 - Treasurer's Office

Payroll services, D. Steere stated we have been budgeting a high number for several years, and asked what is the reason for this. D. Steere stated he has been told in the past that the town is making changes there, but changes have not been made and an increase of \$5,000 is in the proposed budget.

D. Brennan stated that since last May we have made changes pertaining to the 1095C Health Care Provisions. D. Brennan further stated that it was necessary to upgrade our Payroll System, programs needed to be upgraded as well as customized.

D. Steere asked where are we with the \$22,000 for this year regarding Payroll Services and further questioned if it had been spent.

D. Brennan stated that she would need to get those numbers.

D. Steere questioned the GASB 45 Study and the line item of \$4,000. Mr. Steere asked if this study is done every two years as we were putting \$3,500 annually into the fund. D. Steere also stated that he felt somewhere along the line the fund doesn't exist. D. Steere went on to say that anticipating a cost of \$6,500 every two years and what are we going to do with the \$4,000 that was put aside for this year as we have been putting money aside each year.

D. Brennan stated that it is recommended that we do the study every few years. D. Brennan stated the Town just received a bill for \$6,500, and the \$4,000 will be set aside for next year.

D. Steere questioned on Page 11 - Under Assessors Office, the Revaluation Reserve Account is not funded at all. D. Steere stated that we don't need to, however, we should continue to put money into the account, if not, in the future may have a \$200,000 add on to the budget.

Councilor Sette indicated that there is legislation in place to go to a ten year plan. Councilor Sette stated, if that is the case, if we put \$20,000 away per year then when the time comes we should be in a good shape to pay for it.

Councilor Burlingame stated that there is a state reimbursement percentage per parcel.

D. Brennan stated that there is a \$12 reimbursement per parcel or percentage of cost.

D. Steere questioned Page 12 - Police Budget, under other purchased services, the current budget has a one time expense to relocate the propane tank, those funds came from storm funds. D. Steere stated that line item is overstated by \$5,000.

D. Steere stated there is \$115,000 of storm funds that we used for one time expenses, this budget eliminates \$66,000 of that money out of the budget. Mr. Steere further stated that throughout the budget there is an additional \$44,000 of one time items that can be removed. D. Steere stated he prefers leaving the whole \$115,000 and identifying one time items and pay for those.

D. Brennan stated the propane project is still not done.

D. Steere stated the Police Equipment Digital Recorder should not show up in the budget again and there should be a savings of \$12,000. Mr. Steere stated he believes it should not be taken in current budget as well as 2016/2017 budget as this was a one time expense taken from Storm Funds not be an annual expense line item.

D. Steere question how the Radio Replacement Program is funded.

D. Brennan stated that expense is not budgeted, it is built into the Program.

D. Steere stated that he believes the funds to replace the radios should already be there and that no additional funds are necessary.

D. Steere questioned, Page 13 - EMA radio equipment maintenance stating the town has always put money away, self insured. D. Steere stated that if money was not used it went into account and, he believed, as of the end of June there was a balance of \$75,000. Mr. Steere questioned if any of that money found its way back into the radio account, like it should have.

D. Steere questioned, Page 15 - Highway Division salary went down while fringes up.

D. Brennan stated this was possibly a result of Personnel currently in place.

Councilor Burlingame stated it was a result of health coverage, losing two senior employees.

D. Steere questioned the Storm Account, saying we are moving money back and forth, and it is now dropping off by \$40,000. D. Steere stated that, he believes, at some point in time we will have to put money back. Mr. Steere stated there was a reserve at the end of June of \$349,000, and there is a line item in the budget for storm related services in the amount of \$110,000. D. Steere also stated the last three years it was \$149,000, \$217,000, \$241,000. Mr. Steere stated, in his opinion, that the way this budget is crafted the Town will have to add money to the account in the future.

D. Brennan stated that \$40,000 came out of the storm account and went into buildings and grounds and that the funds came out of Capital.

D. Steere questioned, Page 16 - Maintenance Buildings and Grounds, salaries, questioned if the increased budget line item for Purchased services was on the Senior Center side.

D. Brennan stated the Salary for cleaning the Senior Center went back into the Maintenance Division.

D. Steere questioned, Repair Maintenance expense previously budgeted to replace a bulk head as it appears it is still being carried into 2017 budget. D. Steere stated in the 2015 FY budgeted

\$15,000, 2016 FY budgeted \$21,200.

D. Brennan stated that was the addition to capital which we took out of the 2% and put it where it is showing now.

D. Steere remarked it was a one time expense of \$6,200, and is still being carried in the 2017 Budget. D. Steere questioned why this was not in capital.

D. Brennan stated that is coming from the reassignment of capital and these items are a one time expense.

D. Steere questioned the amounts.

D. Steere questioned, Page 16, Tools line is \$4,000 which includes a generator for \$3,000. Mr. Steere felt \$1,500 was sufficient.

D. Steere questioned, Page 17, Maintenance Division Purchased Services, \$4,000 in storm funds should not be carried over. D. Steere proposed the \$20,000 should be \$16,000.

D. Brennan stated Resource Recovery will not be given rebates and our recyclable numbers are not high enough to justify additional dollars back to town, so, therefore, it was a conscientious effort on the towns part to put those funds for the part time employees back into the budget.

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D. Steere questioned if the recreation money was earmarked for the basketball court in the amount of \$9,200

D. Brennan confirmed with yes.

D. Steere questioned the expense item for Senior Center kitchen aide interim director asking how the number, \$9,265, is calculated as it is a high number.

D. Brennan stated that an employee moves up when the director is absent as well as additional personnel.

D. Steere questioned, Page 19 Human Services Van Drivers, asking why the budgeted line item is being increased. D. Steere stated that in 2013 there was \$16,500 which, in his opinion, is a cushion there.

D. Brennan stated the increase is due to the length of time for each individual run, not always for a minimum being paid.

D. Steere stated the Senior Center Purchased services one time expense of \$1,000 to redo Pool Table

came out of storm fund and should not be in 2016/2017 budget.

Councilor Burlingame stated the one time expense for office supplies is going. Councilor Burlingame also stated the printer, at the Senior Center, is very accessible and is being looked at. Councilor Burlingame stated a balance of \$1,500 will remain for budgeted amount and the \$2,000 will be moved to buildings and grounds to help out with Leja field.

D. Steere questioned, Page 20 - Security, in the current Fiscal Year \$5,000 is budgeted for cameras and in the 2017 budget we are requesting another \$5000. D. Steere questioned what the additional \$5,000 be used for.

D. Brennan stated the project is becoming very complicated and is still being discussed with our IT department. D. Brennan also stated the \$5,000 anticipated for 2016 will not be spent and will be carried forward.

D. Steere stated that money was transferred to the Healthcare Reserve from the storm fund account and that there was \$350,000 in the account at the end of June.

D. Brennan stated the funds were used for health care spikes rates going up and down. D. Brennan stated that when she started working for the town there was an 18% increase in health care on the school side, employees paid the expense.

Councilor Burlingame asked D. Brennan for a list of storm fund money allocated.

D. Steere stated that we should identify one time expenses, still \$44,000 in storm fund items that should be taken out.

D. Brennan stated the intention is not to take them all but rather to shuffle a different amount as it would be too drastic to take them all out.

D. Steere questioned the Capital purchase of a new police vehicle. D. Steere stated the Audit reflected \$31,500 in a fund for a police vehicle and questioned if that being spent in the current fiscal year.

Fin. Dir. Brennan stated that two fiscal years were crossed because the town purchased a vehicle one year and received insurance check, for the replacement, in another fiscal year. D. Brennan stated this was the result of a vehicle being damaged.

Adam Muccino, Stone Dam Road, questioned whether the police vehicle for \$33,000 will be used for something else beyond what the hummers are being used for.

G. Agnone, Budget Board Chair, stated that this purchase is part of a vehicle replacement program.

A. Muccino questioned the Excise Tax Vehicle Tax Phase Out program, asking if we are phasing it out why is it a budgeted line item.

D. Brennan stated the amount is based on an actual count of vehicles that you have for each city and town. D. Brennan stated this line item represents revenue from the state and is not being sought from the taxpayers.

Walter Steere, Jr., (no address) questioned the Road Bond, asking if it is disappearing from the budget or will it offset an increase in taxes. It is the opinion of Mr. Steere that the \$280,000 is a one time fix and next year the town will be starting in the hole.

Councilor G. Steere stated that the Bond is disappearing from the budget, however the budget is up that amount.

Councilor Burlingame stated if we increase the budget next year will have to increase the levy. Councilor Burlingame further stated that we are raising the taxes by \$383,000 this year and if we didn't have the offset from the bond issue we would have to add an additional \$280,000. Councilor Burlingame stated it is a one time expense that we are going to carry forward and we won't have to pay it next year. Councilor Burlingame stated the budget is balanced.

Walter Steere, Jr. questioned that the budget presented by the Budget Board in March represented a \$131,000 increase and the budget is now representing a \$249,665 increase. W. Steere asked what the difference is from and questioned if it was from a change to a Full time Planner and Building Inspector.

D. Brennan stated the increase is due in part to the transfer to surplus to the region in the amount of \$65,000. D. Brennan stated the increase is also due to the change to Full time planner.

Councilor Sette stated that the increase is due to several bid items that where out there one being the cleaning services at the Senior Center, as well as an increase in fringe benefits.

Walter Steere, Jr. stated that at the end of last fiscal year there was a surplus of \$571,000. Seems like surpluses are built into the budget. We should try to limit line items that create the increase in the surplus. Heard we have a 18% surplus. Need to have 12% budget surplus.

Councilor Burlingame stated that we reserved the \$1,500,000 for the Gloucester School projects out of the surplus.

Councilor S. Sette questioned that if we (the town) commit to looking at surplus, will the Region commit to doing the same Councilor Sette stated the Regions surplus has gone up over the years considerably.

D. Steere asked for clarity on \$300,000 for the next five years for a total of \$1,500,000.

Councilor E. Burlingame stated the Gloucester School Committee agreed to match the town with the dollar amount. Councilor Burlingame stated we need to hit at least a 50% mark of the plan that was submitted to state to get reimbursed from the state. Councilor Burlingame stated we are more than covered with the commitment from the Town and the Schools.

D. Steere stated that the Assigned balances are difficult to interpret. D. Steere stated Assigned money never gets used and makes fund balance appear to be less.

D. Steere questioned the Gloucester School Budget, Page 1, stated the actual operating expenses are 9.1 million, \$518,000 less than is actually budgeted which is still very high. D. Steere stated there was an increase in kindergarten expenses for salaries in the amount of \$114,000 and asked if additional full time kindergarten state aid kick in.

Supt. P. Dubois stated the state has to send us the money based on the number of students, the state has to send us the full day tuition.

D. Steere stated, for analysis purposes, the school is budgeting \$9,572,499 (the budget states \$9,872,449) and probably won't hit the \$555,000 surplus. D. Steere stated on the revenue side for 2015 it shows that you didn't use anything from the transfer of the fund balance. D. Steere stated he is not sure that is correct.

D. Brennan stated Mr. Steere was correct and further stated that there is an error in the way that it is presented. D. Brennan stated the school actually used \$20,770, which should have showed up top.

D. Steere questioned how medicaid reimbursement works and also questioned with a \$58,000 expense related to medicaid why we are budgeting \$94,000 revenue.

D. Brennan stated there is a \$58,000 expenses related to medicaid as well as \$58,000 in revenue and Gloucester schools anticipate \$94,000 from NW Special Education.

D. Steere questioned the transportation cost it shows zero but should be \$13,290, perhaps it should be moved down a line.

D. Brennan stated the town provides all transportation cost for all Gloucester students and we put the revenue against the expense. D. Brennan stated the money is paid directly to the region and shuffled back to the town.

D. Steere referred to, Page 17 Professional days, stating there is an actual expense in 2015 but nothing in the 2016/2017 budget.

Supt. P. Dubois stated the elementary schools will have four half days for professional development and a line item in budget is not necessary.

D. Steere referred to Page 22, stating that unemployment is budgeted at \$20,000 while the actual for 2014/15 is \$6,000. D. Steere questioned budgeting \$20,000, because that will go to the maintenance of effort.

D. Steere referred to Page 22, medical insurance reimbursement by teachers, and questioned that going down in 2017, as well as the co-shares going down.

D. Brennan stated the cost associated with the Health Plan will go down. D. Brennan stated there are several contributing factors, such as, change in plan where the deductible is \$500 for single plan and \$1,000 for family plan and the co-share is going down.

G. Steere stated that the region is proposing to go to nine professional days and asked if Gloucester Schools will also do that.

Supt. P. Dubois stated that Gloucester schools need to have 330 minutes of instruction per week, therefore, Gloucester schools will only have four half days for Professional Development.

Councilor G. Steere indicated that the Public Hearing will be continued to 4/21/16 and the Town Referendum is scheduled for May 17, 2016.

Frank Reagan questioned why the Regional Superintendent is not forced to attend the budget hearings and meetings. Mr. Reagan stated the Supt. should acknowledge the impact the Regional Budget has on the town budget.

G. Steere stated that honestly, he didn't think we can force the Regional Superintendent to attend the Town financial meetings.

T. Burlingame stated that the Region is a separate unit.

D. Steere stated that the Regional Superintendent makes \$153,000 as well as \$26,000 towards retirement.

V. Adjourn

MOTION was made by Councilor Burlingame to adjourn at 3:30 p.m.; seconded by Councilor Councilor G. Steere.

VOTE:	AYES:	Councilor G. Steere, Burlingame, Reichert and Sette
	NAYS	0

MOTION PASSED