

At a meeting of the Town Council holden in and for the Town of Gloucester on April 17, 2017:

I. Call to Order]

The meeting was called to order at 7:00 p.m.

II. Roll Call

Members Present: George O. (Buster) Steere, Jr., President; Edward C. Burlingame, Vice-President and Patricia Henry.

Members Absent: Walter M. O. Steere, III and William E. Reichert

Also present: Jean Fecteau, Town Clerk; Susan Harris, Deputy Town Clerk; Greg Agnone, Budget Board chair; Diane Brennan, Finance Director; Gary Treml, Director of Public Works; and Jane Steere, Tax Collector.

III. Pledge of Allegiance

The Pledge of Allegiance was recited.

IV. Public Hearing

A. Proposed budget for Fiscal Year 2017/2018

1. Review of proposed budget (as needed)

Councilor G. Steere stated that the purpose of this Public Hearing is to give those present an overview of the budget and allow the public to speak regarding the budget.

Councilor G. Steere Declared the Public Hearing OPEN and turned the presentation over to Greg Agnone, Budget Board Chair and Diane Brennan, Finance Director.

Greg Agnone, Budget Board chair, gave an overview of the Proposed Budget, stating that the amount to be raised by taxes results in an increase of .78%. G. Agnone stated that in the Capital portion of the Budget, \$420,000 is funded by the release of Capital Reserves to keep taxes manageable. G. Agnone stated that he will go through the Budget by department and not put a lot of emphasis on those that are flat or down, after which there will be a question and answer period.

Under Central Administration, G. Agnone stated that the Town Council Budget is down .07% and the Town Clerk's office is up 5%, or \$15,970, of which \$14,470 is due to salary increases. Board of Canvassers is down 60% or \$15,000 due to the fact that it is not an election year. Probate Court is flat-funded.

G. Agnone stated that Building/Zoning Office is up 5%, mainly because of an increase in FICA, which is a result of an employee going from part-time to full-time status. Regarding fees for Electrical, Plumbing, Mechanical Inspectors, G. Agnone stated that there is an additional \$1,000 in each of those lines, due to a forecasted increase in permits this year.

Planning Office has a decrease of 22.26%, Community Resource is flat, and Planning Board has a 3.5% increase which is a \$500 line item for stenographic services.

Zoning Board is flat, Conservation Commission is up 11.3%, which is \$245, and Land Trust is up 65%, or an increase of \$29,250 for potential land purchase. Diane Brennan, Finance Director, noted that this is based on the actual money we receive from Realty Tax Stamps, for which there has been an increase over the last few years. G. Agnone stated that Town Sergeant is flat-funded.

Regarding Financial Administration, G. Agnone stated that there is an increase of 3.3%, the majority of which is salaries and fringe benefits. G. Agnone noted that this Budget contemplates all three (3) areas of Union negotiations to be settled.

Treasurer's Office has an increase solely in the wage line, contractual items. The Tax Collector's office has a \$17,000 increase in the line item for Tax Sale Fees, which is the cost to record tax sales, but is offset by a line item in the Revenue area. Councilor Burlingame asked if it was a net number previously. Diane Brennan said yes and explained that many times, we do not receive the funds in the year that the Tax Sale takes place. Councilor Burlingame stated that this is important because we do not show net numbers in the Budget.

Tax Assessor's Office reflects an increase of \$15,701, solely in the wage area.

G. Agnone stated that the bigger piece of the Police Department will be in the Capital Budget, but other than salaries, there is an increase for electricity because the budgeted numbers were not keeping up with the actuals. G. Agnone stated that there is a negative for portable radio and mobile radio replacement because these were one-time expenses. Under Emergency Management and Animal Control, there is not much difference except for salaries.

Under Storm/Snow Removal Services, on the lines for sand and salt, the increases are to bring the proposed Budget up to the actual numbers. Under Director's Office, DPW, there is an increase in salary and under Highway Division, there is an increase of \$8,000 for Purchased Services to be used for the removal of trees that are within 16 ½ feet from the center of the roads maintained by the Town.

Under Maintenance Division, G. Agnone explained that the decrease is due to a one-time expense. Regarding vehicles and equipment, the lines for gasoline and diesel fuel/propane have been taken down to reflect actuals. Under Waste Disposal, G. Agnone stated that the Budget is minus .82%.

G. Agnone stated that under the Recreation Department and Senior Center, the proposed budget is up \$4,193 for the year and the main item is Recreation Materials and Equipment. G. Agnone explained that this is for playground equipment at Winsor Park.

Regarding the Senior Center, G. Agnone stated that the increase is 8.44%, due to Purchased Services, Office Supplies and Programs & Activities. Councilor Burlingame noted that we also

have \$2,000 for Mechanical-appliances, Repair/Replace. Councilor Henry commented that if you combine this with the Capital Budget, there is an increase of \$27,000 for the Senior Center. Councilor Burlingame explained that after some earlier discussion, the Council looked at this very carefully and determined that there were several problems that needed to be taken care of. Councilor Burlingame stated that there was an ice dam issue (Senior Center) which G. Trembl will be taking care of as well as the repair of the Skate Board ramps (GMP). Councilor Burlingame stated that there were issues regarding a freezer and it was decided that when it dies, we will just get another one.

G. Agnone spoke regarding Compensation Alignments under Other Operational Expenses, asking if this is the reserve for potential increases in the number of Town Hall workers. Councilor Burlingame explained that over the last several years, many high-level people have left for various reasons and this \$50,000 will allow us to be in line with other towns' salaries when hiring Department Heads. Councilor Burlingame stated if we don't do this now, we will be in a position to be caught short later. Councilor G. Steere noted that we have actually lost people that we hired who left for more money in a neighboring town.

Regarding the IT Office, there is an increase of \$17,500 for Computer System Support/Repairs, which is for data encryption and anti-virus software. G. Agnone stated that this is important because we do not have a very good defense against cyber-crime. Councilor Burlingame agreed that this is critical and we need to do it. G. Agnone stated that it is overdue and we have been extremely lucky to this point. G. Agnone stated that the only other item of significance in the IT budget is \$10,000 for Workstation/Laptop/MDT/Rep Program which is to update the computer systems in the Police vehicles.

G. Agnone reviewed Aid Requests, stating that the libraries have an increase of \$7,515 but explained that the increase is for a study to determine the feasibility of merging the two (2) libraries into one (1), a potential savings to the taxpayers. Under Cultural Services, the Light Infantry requested \$1,000 and in exchange have agreed to march in both of our parades. Regarding Social Services, G. Agnone stated the Little League asked for funding for a well but that request was not considered in the budget. G. Agnone stated there is \$5,000 for the Little League to offset their costs because enrollment is way down. G. Agnone stated that the Heritage Society is funded \$2,500, which makes the total budget for Aid Requests up by 3.9%.

G. Agnone stated that the local School Budget is being level-funded and has had projected lower expenses in recent years. Councilor Burlingame commented that enrollments have been declining and the School Department has also been able to run a surplus, but when the time comes that they need additional revenue, we will put it in there. Councilor Burlingame stated that another thing that is helpful is that they have assigned \$1.5 million of their surplus for the renovations at West Gloucester and Fogarty Schools.

Under Special Appropriations, G. Agnone stated that we have \$300,000 as the second portion of a five-year commitment from the Town for school renovations. G. Agnone pointed out that this does

not affect the tax rate and the surplus will still be over 14%, adding that the Charter requires a minimum of 12%. Councilor G. Steere stated that we agreed to fund \$300,000 and asked what is the \$494,000 figure. Diane Brennan, Finance Director, replied that in the Capital Budget, it states that our 2% set aside is \$546,486 and the \$494,000 is what is needed from surplus. Councilor Burlingame explained that we agreed and Finance assigned the full \$1.5 million from surplus last year, but in order to spend it, we have to put it on as a question on the ballot. Councilor Burlingame stated that \$300,000 was approved in last year's Budget and we are asking for another \$300,000 now. Councilor Burlingame pointed out that this still leaves the surplus at 14%.

G. Agnone reviewed the Capital Budget. G. Agnone stated that the Police have requested three (3) new vehicles, adding that the Director of Public Works has given his opinion that some of the existing fleet will not pass inspection. G. Agnone stated a request was also made to regrade and resurface the parking lot, however the Budget Board did not think it was necessary at this time. G. Agnone stated that there is a need for window replacement and heating/air conditioner repair due to a unit on the roof being struck by lightning. Councilor Henry asked if this would have been covered by their insurance policy. G. Agnone replied that it happened some time ago and a claim was not submitted because the damage was not realized until there was disparity in temperature from room to room in the Police Station. G. Agnone pointed out that this should make the heating and air conditioning more efficient and we expect to see a decrease in fuel costs next year. (Someone in the audience spoke from their seat, inaudible).

Regarding the vehicles, Councilor G. Steere stated that the Chief had originally proposed \$105,000 for three (3) vehicles, but then asked for 2 ½ vehicles from the Town because he had funds from confiscated property to cover the remainder and to outfit the vehicles as well. Councilor Henry stated that the Chief told the Council that next year, he is only going to ask for one.

There was discussion concerning mileage on Police vehicles started by Councilor Burlingame, but people who spoke from the audience were inaudible. Councilor Burlingame asked if each vehicle has its own mileage record. G. Agnone stated they have that information. G. Agnone expressed concern that a 2016 vehicle already has 29,000 miles on it while others have low mileage. G. Trembl stated that every hour of idle time represents 50 miles of drive time that is not reflected on the odometer. David LaPlante stated 30,000 miles in one year is not a lot for a police vehicle that is used for patrols. Councilor G. Steere stated that this vehicle is getting more use than the others because they average 12,000 miles per year.

G. Agnone stated that the Police Department also has a \$4,000 line item in the Capital Budget for security at the Town Hall. (Councilor G. Steere stated he believed it was for the Police Station)

G. Agnone stated that the Senior Center has \$6,000 for painting and \$6,000 for replacement of flooring. G. Agnone noted that the Senior Center had requested \$12,000 for each of these line items but the decision was that they could split it up over two (2) years.

Regarding the DPW, G. Agnone stated that we have \$400,000 for paving, \$50,000 for vehicle

replacement and \$15,000 for sandblasting. G. Agnone explained the item for Rental of Equipment-Crushing, stating that if we do our own crushing, we can produce our own gravel at a cost of \$3.13 per ton compared to a purchase price of \$11.00 per ton plus transportation.

Diane Brennan noted that there is a typo on New/Used Asphalt Zipper that should read New/Used Equipment. D. Brennan explained that G. Treml, Director of Public Works, obtained the zipper through Municibid at a cost of \$16,200, and this is the replacement of the funds that were used.

Regarding Asphalt to repave DPW lot, G. Agnone stated that the \$24,200 represents half of the request. G. Agnone stated that under Pavilion, the \$63,000 would include opening and rebuilding the stone walls at the entrance, landscaping, trash receptacles, paving around building; paving around entrances & exits; parking; parking lot striping, well pump/tank; electric service; clock.

G. Agnone stated that there is \$5,500 for Town Hall improvements which is for a wall outside building to be repaired, and \$11,000 for Leja Field at Gloucester Memorial Park. G. Agnone noted that we need to act on that (Leja Field) or we will lose grant funding. G. Agnone stated that under Recreation, there is \$92,000 for repairs at Gloucester Memorial Park.

G. Agnone stated that the bottom line is that from taxes, the requirement would be .78% or \$169,000.

Councilor G. Steere thanked G. Agnone for his presentation and asked if anyone had questions regarding the proposed Budget.

Councilor Burlingame asked when the renovations are expected to begin on Fogarty or West Gloucester School. W. Steere, Jr., School Committee member, stated it was hoped that a lot would be done in this fiscal year. Councilor Burlingame asked if there was a renovation plan/time line for each school. W. Steere, Jr., School Committee member, stated there is a time line. Anthony Autiello, School Committee member, replied (as a Capital Improvement committee member) that they are waiting for Ahronian Architects to supply the final breakdown of the design and the scope of work bid packages on this year's items which include water service, some masonry, and window work. A. Autiello stated in FY 2018/19 we will start working on Fogarty mechanical. A. Autiello expressed concern that the architect is not further along. Councilor Burlingame asked if this could affect our reimbursement. A. Autiello replied in the negative. Councilor Henry asked if the work is not done this year, will we lose any dollars. A. Autiello stated that we have a three-year window. A. Autiello added that even if we only spend 50% of the allocation we can chose to stop.

2. Public Discussion

1. Anthony Autiello asked if the \$29,000 under Land Trust is additional funds that we are putting aside for more purchases. Diane Brennan replied that it is more reflective of what the actuals were. D. Brennan stated that we are under Statute to give 75% of realty tax that we collect to the Land Trust. For the last several years, it has been level at \$45,000 but they

have actually received more than that. A. Autiello asked if this is like a pass-through. D. Brennan replied in the affirmative.

2. Rick Nadeau asked about consolidating the libraries. Councilor G. Steere stated that this was brought to the Council by the libraries with a financial request to help them do a feasibility study to see if it would work to combine both libraries into one. Councilor Henry commented that within a 10-mile strip down Route 44, there are three (3) libraries, the one in Greenville and the two in Gloucester. Councilor Henry stated Ocean State Library is looking at the logistics and ramifications of combining. Councilor Henry suggested to Mr. Nadeau that he send a letter letting the library know how he feels about a possible merger.

R. Nadeau asked about the \$70,000 allocated for repairs at Gloucester Memorial Park. Councilor G. Steere replied that the tennis courts, basketball courts and skate park are all in need of repairs, adding that if it takes less than the \$70,000, the rest will be used next year. Councilor Burlingame stated we can do half this year the rest next year. R. Nadeau inquired about the \$22,000 for the playground at GMP. Councilor Henry stated that it is for replacement of a swing set, according to the Recreation Director. Councilor G. Steere stated we have to keep equipment up to code.

3. Dave LaPlante asked what is the proposed tax rate, based on the Budget presented. Diane Brennan, Finance Director, stated that we are still getting numbers back from the assessment company. D. LaPlante stated he hopes the number goes down from the advertised amount.

4. David Steere spoke about the Gloucester School Budget for FY-2016, budget to actual, stating that they did not spend \$9.5 million and it is very misleading. D. Brennan stated that the actual number had to go to the schools. D. Steere stated that they did not spend that amount; it was actually three-quarters of a million less. D. Steere stated that the Budget should be as accurate as possible because when people read it, especially online, it is very misleading. D. Brennan explained that this gets plugged into the Budget because that is the obligation that the Town has. D. Brennan agreed that the presentation could be done differently. Councilor Burlingame stated that the difference between what we allocated and what the School Department has spent flowed to their surplus. D. Steere stated, in his opinion, the actual in operations should be shown as \$8,966,760.

D. Steere spoke about Union Contracts and asked what was the increase for the Police. Councilor Burlingame replied 3½%. D. Steere asked about the Dispatchers. Councilor G. Steere replied 3%. D. Steere asked about the Clerks' increase to which Councilor Burlingame replied 3%. D. Steere inquired about the increase for non-Union. Councilor Burlingame replied 3%.

D. Steere referred to Page 1 of the Budget, stating that we have a reduction of \$107,000 from the Region and asked if we are going to reserve any if it for when we are on the other

side of student proration. Councilor G. Steere stated that this is a good point and the Council did discuss it but took no action. Councilor Burlingame stated that we have something set aside for that situation.

D. Steere referred to Page 3, Town Council, and asked why we are budgeting \$750 to film Town Council meetings since we did not spend any of last year's allocation on this. Councilor G. Steere stated that we have not found anybody to film the meetings. D. Steere suggested removing the \$750 from the proposed Budget.

D. Steere questioned the Council Contingency account, stating that \$11,000 is budgeted but only \$2,530 was spent last year. D. Steere stated that the same amount is in this year's Budget and asked how much has been spent so far. D. Brennan did not have that information with her. D. Steere recommended reducing the amount and using the money somewhere else in the budget. Councilor Henry noted that in 2015, most of the \$11,000 was used. Jean Fecteau, Town Clerk, stated that there was a survey and appraisal done that year.

Regarding salary increases, D. Steere stated that it looks like the non-union employees are at 3.5%, not 3% as was stated earlier. D. Brennan explained that the number that was contemplated in 2017 before the contracts were settled was 2.5%, which was not the real number that the individuals got. D. Brennan stated the actual amount, for the Town Clerk, was not received as it was a projection. D. Brennan stated that we have had a lot of transition regarding personnel, such as the Clerks' Union no longer having to wait two (2) years to reach the first level.

Regarding Board of Canvassers reduction due to a non-election year, D. Steere commented that this is a temporary savings because next year it will be bumped back up.

D. Steere spoke about Page 6, Legal Services, stating that there is a proposed increase of \$25,000. G. Agnone stated that this will bring us more in line with other towns. D. Steere stated he does not care what other towns pay. Councilor G. Steere noted that we have several things coming up that will require additional legal services. D. Steere stated they have never reached their allocation.

D. Steere questioned the Treasurer's Office, stating that we have an Administrative Aide and two (2) Clerks listed with an increase of \$10,700. D. Brennan explained that some of this has to do with the way the Clerks' Contract was negotiated with regard to steps. Councilor Burlingame pointed out that there is also the impact from the higher level position that was created. Under Treasurer's Office Expenses, Payroll Services, D. Steere stated that we have never reached the budgeted amount and asked why we are keeping that number in there. D. Steere stated there should be a savings in that \$27,000 somewhere. Regarding the GASB Study, D. Steere stated that this is every two (2) years and asked if the \$4,000 will be spent in the Fiscal Year. G. Agnone stated we have an expense every year even though he agreed it is done every two years. D. Brennan stated we will spend at least

\$2,000 and that there are some changes coming from the financial side pertaining to OPEB.

D. Steere spoke about the Collector's Office new line item of \$17,000 and asked how much of that is revenue on Page 2. D. Brennan stated that she put either \$14,000 or \$15,000 of revenue to come in for Tax Sale items. D. Steere questioned which revenue line item does that appear in. D. Brennan stated it is was under tax revenue and now is in another revenue account.

D. Steere referred to Page 9, Police Department Expenses, Other Purchased Services, and asked what the proposed \$7,000 includes. D. Steere noted that in FY 2015, \$2,000 was budgeted and \$1,076 was spent, and in FY 2016, \$7,000 was budgeted and \$850 was spent. D. Steere stated that \$5,000 of the \$7,000 was to relocate the propane tank, which was not done. D. Brennan stated that this will be done in the current Fiscal Year. D. Steere stated we overtaxed folks in one year and then it was put back in for this year. D. Steere again questioned what is the \$7,000 for in the 2018 proposed Budget. Council agreed it was a fair question.

Under Police Equipment - Non-office, D. Steere stated that we have the same situation. D. Steere stated that in FY 2016, this was bumped up to almost \$17,000 because the Chief was going to purchase a digital recorder for \$12,000. D. Steere stated that it was not purchased because the actual was \$2,550. D. Steere noted that in the current year budget, there is almost \$17,000, but it is projected that only \$4,000 will be used. D. Steere asked why we are projecting another \$17,000 because it looks like the actuals are more like \$5,000. Councilor G. Steere asked if the \$12,000 was for a digital recorder just for one year. D. Steere stated in the affirmative. Regarding accreditation, D. Steere asked if this is an annual expense. The response was in the affirmative. Councilor Burlingame stated we need an answer on this account and Other Purchased Services.

There was discussion concerning Service Contracts. D. Steere stated that, in the past, the radio maintenance/police equipment was funded, difference between the Service Contracts and proposed. D. Brennan stated that unused budgeted funds are transferred to another Police account. D. Steere stated he did not see that item transferred in the audit.

On Page 10, D. Steere questioned Radio Equipment Maintenance for EMA. D. Steere stated that in FY 2015 and FY 2016, nothing was spent, however we are projected to spend \$5,000 this year and another \$5,000 is budgeted for next year. Councilor Burlingame stated that we will get an answer from the Police Chief. D. Steere again pointed out we haven't spent anything in two fiscal years and it is projected again for next year.

D. Steere referred to Page 11, Public Works, Expenses, and asked why we are going up \$2,000 to \$7,500 for electricity. Regarding propane, D. Steere stated that there is a reduction but he feels it could come down further. D. Steere questioned the \$8,000 increase under Purchased Services. Councilor Burlingame stated that this is for tree removal. G.

Treml explained (from his seat) the expense.

On Page 12 under Maintenance Division wages - grass cutting, D. Steere stated that nothing was spent in FY 2016, we are not projecting to spend anything this year, but we are budgeting a \$1 decrease for next year. D. Steere asked if we need that. G. Treml, Director of Public Works, replied that was when D. Colwell was helping out. G. Treml stated that shouldn't be in there.

Regarding Winsor Park Support, D. Steere stated that \$3,200 was budgeted in FY 2016 but \$1,500 was used, and the same is budgeted for the current year but we are not projected to spend any of it. D. Steere asked why we are still projecting \$3,200. G. Treml's response was that expense was the Recreation Director's help with park trash and cutting grass in the summer. D. Steere suggested someone look at this account.

Under Tools, D. Steere stated that in FY 2015, \$1,000 was budgeted with an actual of \$1,500, and in FY 2016 we budgeted \$4,000 with an actual of \$3,555 which included a generator. D. Steere stated that we are now projecting to use \$4,000 in the proposed budget. D. Steere stated there are instances where we bumped a line item up years ago for a one-time expense, but it got carried through to the next budget. D. Steere stated his opinion that there are savings to find there. D. Steere mentioned Purchased Services, stating that this is the same situation.

D. Steere stated perhaps the Council could see the year to dates before the budget is passed. Councilor Burlingame stated he would rather have year to date projections.

Regarding Waste Disposal, Electricity, D. Steere noted that there is a typo in the projected figure for the current year. Under Propane, D. Steere stated that we have never come close to the budgeted amount. D. Steere stated there could be a savings there. D. Steere stated that we have the same situation regarding Diesel Fuel and Tipping Fees. Councilor Burlingame pointed out the typo was in the projected amount, not the budgeted amount. Councilor G. Steere stated that there will be an increase in tipping fees. G. Treml concurred.

D. Steere spoke about the Senior Center, Kitchen Aide - Interim Director, and asked why we are budgeting \$10,700. D. Steere noted that we have never come close to that. G. Agnone stated that the Director has indicated that she may retire this year and in the interim, somebody will have to step in. Under Expenses, D. Steere questioned Heating Fuel Oil, stating that the last two (2) years we have not spent what was budgeted. D. Steere stated there may be some savings there. There was discussion concerning the \$2,000 line item for Mechanical-Appliances. Councilor Burlingame explained that the Senior Center Board wanted to replace the freezer this year, but it was decided to put it in the proposed budget. D. Steere stated that we do not want to put \$2,000 in the budget every year in anticipation that the freezer will die. Councilor Burlingame stated that when a building approaches 10 or 15 years old, you have to expect that things will break. D. Steere stated that he does not have

a problem with that, but if it is not spent, it goes to the bottom line and we are overtaxed by \$2,000. Councilor Burlingame stated that it will go into surplus to be transferred for other purposes to keep the tax rate down.

On Page 15, D. Steere asked for an explanation regarding the new line item for DHS Assistant PT. Councilor Henry stated that this is a part-time person that the Director of Human Services has asked for. Councilor G. Steere stated that he thought we were going to take that out. Councilor Burlingame stated that it was suggested that the Van Drivers do the job, but they did not want to, so the Council left the position in the Budget. D. Steere noted that the Van Drivers wages only use half of the budgeted amount and suggested that this amount be reduced. Councilor G. Steere stated that he recalls the Director was going to take the Assistant out of the budget because she had enough in her budget to cover it. D. Brennan stated that she recalls the conversation but does not have it as one of the things coming out of the budget. D. Steere stated that if we reduce the Van Drivers budget by \$8,000, it would still leave enough to put \$2,000 towards the part-time position. Councilor Burlingame asked what drove the proposed budget number to be twice as much as the actual and projected numbers. Councilor G. Steere commented that we will probably see the actuals go up due to increased activity, but not to that amount.

Under Other Operational Expenses, Compensation Alignments, D. Steere stated that he knows what that is for, but who is it for and asked who will make the decision. Councilor Burlingame replied that the Council will make that decision. D. Steere asked who is in the running for the money. Councilor Burlingame replied that this is a Personnel issue and we are not going to get into that right now. Councilor Burlingame stated that we have done a salary survey and if we see that a Department Head salary is out of line, the Council will make a recommendation. D. Steere stated that this should have been done prior to the Budget presentation so the taxpayers would know where that money is going. Councilor G. Steere stated that we are losing good people to other towns that pay more. D. Steere commented that we are losing good people because we had good people for so many years, but they have retired. Councilor G. Steere stated that it is a problem to try to find qualified people to replace those who retired. D. Steere commented that the jobs are specialized and we cannot hire someone “off the street”.

D. Steere questioned Insurance - Liability, stating that we keep budgeting \$125,000 but we never reach that number. D. Brennan stated that we never have that information before the budget comes in; we get the number in late July or early August. D. Steere stated that is why history is important. G. Agnone stated insurance is hard to predict.

D. Steere stated that under Accrued Compensated Absences, we have budgeted \$80,000 but we do not really use it. D. Brennan stated that we spend some of it and the rest goes into a fund. D. Steere stated that there is \$500,000 in that fund and we have never used the full \$80,000. D. Brennan stated that there is the potential to use some of those funds when people retire and some of those payouts can be significant. D. Steere noted that in the last

three (3) years, the highest it has been is \$60,000. D. Steere stated that there is a lot of money sitting out there and it increases every year because we never use the \$80,000. D. Steere stated that maybe it is time to give the taxpayers a break and reduce that number. Councilor Burlingame asked if a portion of the fund could be transferred to Capital to avoid creating a structural deficit. Councilor G. Steere suggested just leaving it there but not adding another \$80,000 to it. Councilor Burlingame cautioned against reducing it because we would have to live with that reduction in the appropriation. D. Steere stated that the most that has been used is \$60,000, therefore he suggests reducing the line item to \$60,000 and if more is needed, there is the \$500,000 in the account. Councilor Henry asked D. Brennan what is her anticipation of using the funds. D. Brennan replied that there are people who are eligible to retire who would receive all of their vacation which would come out of that account. Councilor Burlingame stated that the Council will discuss this further at a later date.

D. Steere spoke regarding the Transfer to Healthcare Reserve, asking if we use any of this money. D. Brennan stated that this is there for the potential to have spikes in the healthcare reserve. D. Steere commented that there is \$383,000 in that account and in the last three (3) years we have never touched it. D. Steere asked if we need to keep budgeting the \$46,000 or can that be reduced. D. Brennan stated that there is an anticipated increase of 10% to 12% in healthcare. Councilor Burlingame stated that \$383,000 would be a 10-year supply. Councilor Burlingame stated that this needs to be carefully looked at.

Regarding the IT Office - Wages, D. Steere asked if this item goes out to bid. D. Brennan stated that the wages are for Matt Floor. D. Steere asked about Ed Juaire's compensation. J. Fecteau stated that she was told it is under Other Purchased Services. D. Brennan noted that M. Floor has requested more hours because there is more work. D. Brennan stated that E. Juaire is under Computer Systems Support for \$99,000. D. Steere commented that E. Juaire was always under "wages" in the past. J. Fecteau stated that she was told it was taken out of there because E. Juaire is a W-9 and not a regular employee. D. Steere asked if this meets the threshold to go out to bid. Councilor Burlingame stated that this is a fair question and asked why there is an increase of \$17,500. G. Agnone replied that it is for encryption and anti-virus software. G. Agnone agreed the amount of \$37,760 is all salary for M. Floor.

D. Steere asked how much of the Computer Systems Support line item is for E. Juaire. D. Brennan replied that E. Juaire bills the Town based on per-diem and is not the same each month. D. Steere again asked if this should go out to bid. There was discussion about extending the previous bid award.

On Page 16, D. Steere stated that the Parade Committee is at \$14,000, however they ended the year with almost \$44,000 in their account. G. Agnone noted that the request was for \$30,000 because the fireworks cost \$19,000 and their fund-raising activity is way off. G. Agnone stated they will use half of their fund balance for fire-works and they probably

will have fireworks two more years and be done.

Regarding the Gloucester Heritage Society, D. Steere asked what the \$2,500 is for. Councilor Henry stated that the Society sent the Council a letter requesting \$15,000 for mold maintenance and repainting. Councilor Henry stated the Council gave them \$2,500 toward their request. D. Steere objected to using taxpayer dollars for repairs to a private home. Councilor Henry stated that it is for the Reuben Mason House which is in the middle of the Village and is open to the public. Councilor Henry stated we give aid to other areas and chose this one to fund. Councilor G. Steere commented that the Heritage Society is a part of the Town. D. Steere noted that it has nothing to do with Town Government. Councilor G. Steere stated that other entities do not either, such as the Little League and the libraries. Councilor G. Steere further explained that this was to be used for matching grants. D. Steere commented that this is why non-profits have fund-raisers.

D. Steere stated that we are not funding the C.A.S.T. Program this year and asked what happens to the funds, almost \$28,000, that are in this account. D. Brennan stated that she believes that it was almost all depleted to run the program.

D. Steere referred to the Capital Budget and stated that he is bothered by the bottom line, \$146,316 to be raised by taxes. D. Steere asked why is this our first option and why don't we take a different option to raise these funds. D. Steere stated that we could reduce the Capital request or use additional surplus. D. Steere further suggested that we take some of the money out of the Capital Projects Fund, which has \$409,000 in it. D. Steere stated when talking about \$1.2 million Council should be able to reduce that by \$146,316.

D. Steere stated that we are level-funding the Gloucester schools, but that does not give us a good snapshot of their Budget. D. Steere stated that if the School Committee was responsible, they could reduce that Budget significantly.

Councilor G. Steere stated that D. Steere has brought up many good points and the Council will look into them. Councilor G. Steere stated that we have level-funded the local schools and can do no more than that. D. Steere agreed and stated that the Council is "stuck" but the School Committee has mechanisms to reduce their budget.

5. Rick Nadeau questioned the enrollment in the elementary and high schools, stating that if the elementary enrollment is down, eventually that will be the case at the middle and high schools. Councilor Burlingame stated that the projections are down at both the elementary schools and at the Region. Councilor G. Steere again stated that we cannot do any more than level-fund the schools year after year because of the State's requirement concerning Maintenance of Effort. Councilor G. Steere stated that it is up to the School Committee to come forward with a Budget that is less than the previous year due to declining enrollment. R. Nadeau asked about salary increases for the teachers.

6. Walter Steere, Jr., School Committee member, responded to R. Nadeau, stating that the Budget includes a 1½% raise for teachers at the Region, and the elementary school teachers are in the second year of a 3 year contract at 2% per year.

W. Steere, Jr. stated that with all the money we found tonight, he feels that we should fund the student set-aside of \$107,000 for the Region for a future date when we have more students. W. Steere, Jr. stated that we will pay for it sooner or later.

W. Steere, Jr. suggested that when we do Police Details, the money we receive be placed into a special fund set aside for when we need Police cars.

W. Steere, Jr. asked if we are putting any more money into the snow plowing account. W. Steere, Jr. commented that a year or two ago, we took \$100,000 out and he complained at the time. W. Steere, Jr. stated that now the taxpayers have to put more money in. W. Steere, Jr. expressed his opinion that we are paying too much in taxes and we don't know where a lot of this money is being spent. W. Steere, Jr. further stated that some of this money is never used and is piling up in these accounts.

W. Steere, Jr. asked if we hired a part-time Senior Center Activities Director this year. D. Brennan replied in the negative. Regarding the Skate Park, W. Steere, Jr. stated his opinion that it should be torn down because it has been a problem in the past. W. Steere, Jr. spoke regarding the \$70,000 allocated for the tennis courts, stating that we just spent \$500,000 on new courts at the high school. W. Steere, Jr. stated that we should cut some of the Capital Budget or take some money from these accounts that have built up.

Councilor Burlingame stated some good things came up tonight for Council to look at.

7. Gary Treml, Director of Public Works, suggested that the money we receive for recycling metal items be placed in a separate account for the purchase of a truck. G. Treml noted that since he has been here, there has been about \$280,000 deposited into the General Fund from the metal bin. Councilor Burlingame stated that we could take a portion of the surplus, which is a result of the money brought in for metals, and assign it to an account reserved for the purchase of trucks.

Councilor Burlingame questioned whether we should assign funds from a portion of the surplus that was created from the metal bin and assign that. D. Brennan stated once you do that assignment you don't get the advantage of that money going into the general fund. G. Treml stated you weren't counting on those funds before I came to work here.

Councilor Henry thanked D. Steere for enlightening the Council about the significant amounts of money in these funds and stated they should be discussed.

Dave Steere cautioned the Council against removing from the General Fund any of the money that comes in because the only way to get it back is to raise taxes.

Councilor G. Steere asked if anyone else wished to speak. Hearing none. Councilor G. Steere Declared the Public Hearing CLOSED.

3. Council Discussion or action

Discussion: Councilor G. Steere stated that many good points were brought up tonight. Councilor Burlingame agreed and stated that the Council must discuss the Budget further. There was discussion regarding the time line for the Budget process. Jean Fecteau stated that the last day that she can send the ballot questions with the amounts to the Board of Elections is May 1st. Councilor G. Steere stated that if the Council does not adopt the Budget at their meeting on April 20th, they will have to hold a Special Meeting. Councilor G. Steere stated that there will be more discussion Thursday night and at that point, changes will be made and a Special Meeting will be scheduled to adopt the Budget. Councilor Burlingame commented that based on discussion tonight, there is the potential to have a zero increase. Councilor G. Steere pointed out that there are several questions for the Chief regarding the Police Department Budget.

Councilor G. Steere stated that the Budget Referendum will be held on May 16, 2017, Senior Center, 8:00 a.m. to 8:00 p.m.

V. Adjourn

MOTION was made by Councilor Burlingame to ADJOURN at 9:28 p.m.; seconded by Councilor Henry.

Discussion: None.

VOTE: AYES - G. Steere, Burlingame & Henry
NAYS - 0

MOTION PASSED