

**CITY OF GARDNER, MASSACHUSETTS
CITY COUNCIL FINANCE COMMITTEE MEETING
Wednesday – January 10, 2018 – 12:00 PM
City Council Chamber - City Hall**

AGENDA

CALL TO ORDER

ANNOUNCEMENT OF OPEN MEETING RECORDINGS

Any person may make a video or audio recording of an open session of a meeting, or may transmit the meeting through any medium, subject to reasonable requirements of the chair as to the number, placement and operation of equipment used so as not to interfere with the conduct of the meeting. Any person intending to make such recording shall notify the Chair forthwith. All Documents and exhibits used or referenced at the meeting must be submitted in duplicate to the City Clerk, as they become part of the Meeting Minutes.

- 1-1 Review and Approval of the December 13, 2017 Meeting Minutes.

- 2-1 #9872, An Order Appropriating \$247,200.00 from Free Cash to City Hall Improvement Capital *(In City Council and Referred to Finance 12/18/2017).*

- 2-2 #9875, An Order Appropriating \$5,500.00 from Free Cash to the Room Tax Mayor's Department, Professional Fees *(In City Council and Referred to Finance 12/18/2017).*

- 3-1 #9886 – A Measure Confirming the Mayor's Appointment of Parya Gandbhir to the Position of Assistant City Solicitor for term expiring January 7, 2019 *(In City Council and Referred to Finance 1/2/2018).*

ADJOURNMENT

Items listed on the Agenda are those reasonably anticipated by the Chair to be discussed at the meeting. Not all items listed may in fact be discussed and other items not listed may also be brought up for discussion to the extent permitted by law.

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Finance Committee Members Present: President Ronald Cormier and Councillor James Walsh. Councillor Marc Morgan was absent.

Other City Officials Participating: Mayor Mark Hawke; Fire Chief Richard Ares; City Auditor John Richard; DPW Director Dane Arnold; City Engineer Chris Coughlin; Community Development & Planning Director Trevor Beauregard; Conservation Agent Jeffrey Legros; Gardner Contributory Retirement Board Chair Denise Merriam; and City Clerk Alan Agnelli.

Other Guest Participating: Atty. Janet H. Morrison, Land Conservation Consultant, Ashburnham; and, Anne Mola, Chief Financial & Operating Officer, NewVue Communities, Fitchburg.

The meeting was called to order by President Ronald Cormier at 11:00 a.m. in the City Council Chamber, City Hall.

President Cormier asked if anyone present planned to record the meeting, in accordance with the requirements of the Open Meeting Law, as follows:

Any person may make a video or audio recording of the open session of this meeting so long as it does not interfere with the conduct of the meeting. All documents and exhibits used or referenced at this meeting shall be submitted in duplicate to the City Clerk, as they become part of the minutes of the meeting. Is there anyone present who will be recording this meeting?

No one responded.

1-1 Reading and Approval of Minutes of Prior Meeting(s).

On a motion by Councillor James Walsh and seconded by President Ronald Cormier, it was voted to approve the Minutes of the Meeting of December 4, 2017, as printed.

2-1 An Order Appropriating \$247,200.00 from Free Cash to City Hall Improvement Capital.

Mayor Hawke informed the Committee that the additional appropriation would supplement \$600,000.00 borrowed earlier for the project.

City Engineer Chris Coughlin explained that Honeywell, the Project Consultant and Engineer, originally pegged the cost of the project at \$600,000; however, the sprinkler system in the Lobby (adjoining Connors Street) was overlooked. Two roof top heating units (air handlers) and a second boiler are needed in order to reactivate the sprinkler/fire suppression system and that the Project is design-build," he said.

Councillor Walsh questioned the reason why the Mayor is not seeking to borrow for the additional work, as he sought for the elements included in the original Scope of Work.

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The Mayor responded, saying that the City has Free Cash available.

Councillor Walsh remarked that every dollar spent from Free Cash on capital projects means dollars that the City will not have for unanticipated operating expenses. He asked if Honeywell provided the City with a report outlining the additional work on the Auditorium.

Mr. Coughlin stated that he would provide the Committee with the Scope of Work and cost estimates from Honeywell. He added that he expects that the project will be completed within 120 days, by springtime.

On a motion by Councillor James Walsh and seconded by President Ronald Cormier, it was voted to recommend to the City Council that the following Order be referred to the Finance Committee for further study and report:

AN ORDER APPROPRIATING FROM FREE CASH TO CITY HALL
IMPROVEMENT CAPITAL.

ORDER: That there be and is hereby appropriated the sum of Two Hundred Forty-
Seven Thousand Two Hundred Dollars and No Cents (\$247,200.00) from Free Cash to
City Hall Improvement Capital.

2-2 An Order Appropriating \$245,000.00 from Free Cash to Fire/EMT Department - New Vehicle Account.

Fire Chief Richard Ares informed the Committee that the City's Ambulance/EMS has been very successful; however, there have been mechanical problems with the pre-owned Ambulance, noting that it has been out-of-service for 12 days since the inception of Ambulance service. He said that it is critical that the City purchase a new ambulance and to retain the existing one "to serve as back-up."

President Cormier stated that he agreed with the concept of acquiring a second ambulance, but that "financing the unit is the question."

Citing the FY2018 Report of the Capital Improvement Report, Councillor Walsh noted that a new Ambulance was listed, but not recommended. Looking at the rationale for acquisition, he suggested that borrowing to purchase a new ambulance "was the recommended method." He asked the Mayor if he thought that borrowing would be a better approach.

Mayor Hawke responded, saying that in order for the City to continue operating EMS; then the City must have a reliable ambulance.

Councillor Walsh said that the question is "how the City funds the purchase."

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Mayor Hawke replied, saying that he believes that Free Cash should be used to purchase a new vehicle, since “there is a cost to borrowing.”

Councillor Walsh responded, saying that “every dollar we spend on capital [items], we will not have for operating expenses.”

The Mayor said that the City has used Free Cash for road resurfacing and added that before he became Mayor, the City’s Free Cash was “in deficit,” however, since he has been Mayor, the City’s Free Cash position has been in the millions. He said that the Cities of Haverhill and Worcester “tax to the max,” but that Gardner “is under the Proposition 2½ Tax Levy.” He noted that The City of Worcester is allocating only \$250,000 for property tax relief and that historically, Gardner has very little debt because it uses Free Cash for capital items.

President Cormier stated that there is another choice [other than from Free Cash], since the Ambulance service generates revenue and that revenues could pay the borrowing costs of a new ambulance.

Mayor Hawke informed the Committee that the City purchased the current “used ambulance” from a neighboring town for \$8,000, saying that he now has greater confidence that the ambulance service “will break even” as revenues eventually will cover operating expenses.

On questioning, Fire Chief Ares suggested that a new Ambulance would serve for about 5 years as a frontline piece and for 5 years a back-up, or an expected useful life of 10 years.

Mayor Hawke informed the Committee that procuring a new ambulance “takes up to 6 months.”

Chief Ares added that the ambulance is “on a collective buying plan” and that on December 31, 2017, the manufacturer noted that the cost of a new ambulance will increase by 7% to 10%.

Councillor Walsh stated that he anticipates that there will be questions raised by Councillors that he likely will be unable to answer; therefore, he suggested that the Finance Committee vote to recommend that the City Council refer the Order to the Council as Committee of the Whole. He added that he has a problem with measures being presented to the Council “that have to be acted on right away.”

On a motion by Councillor James Walsh and seconded by President Ronald Cormier, it was voted to recommend to the City Council that the following Order be referred to the Council as Committee of the Whole for further study and report:

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AN ORDER APPROPRIATING FROM FREE CASH TO FIRE/EMT DEPARTMENT – NEW VEHICLE ACCOUNT.

ORDER: That there be and is hereby appropriated the sum of Two Hundred Forty-Five Thousand Dollars and No Cents (\$245,000.00) from Free Cash to the Fire/EMT Department – New Vehicle Account.

2-3 An Order Appropriating \$146,300.00 from Free Cash to Watkins Field Capital – Improvement Account.

Councillor Walsh opened the discussion by noting that the Mayor, at the time that the Loan Order was presented, informed the Committee that it was his intention to seek rescission of the Loan Order once Free Cash was certified.

Mayor Hawke informed the Committee that work is being conducted on-site, including borings, and added that he anticipates that designs would be ready by February and that work could begin in April or May.

On a motion by Councillor James Walsh and seconded by President Ronald Cormier, it was voted to recommend to the City Council that the following Order ought to pass:

AN ORDER APPROPRIATING FROM FREE CASH TO THE WATKINS FIELD - CAPITAL IMPROVEMENT ACCOUNT.

ORDER: That there be and is hereby appropriated the sum of One Hundred Forty-Six Thousand Three Hundred Dollars and No Cents (\$146,300.00) from Free Cash to the Watkins Field Capital - Improvement Account.

2-4 An Order Appropriating \$5,500.00 from Free Cash to the Room Tax Mayor’s Department, Professional Fees.

The Mayor informed the Committee that the City joined the Johnny Appleseed Trail Association last year and noted that at that time [of Budget hearings]; he would present a Money Order to the Council for its consideration.

Councillor James Walsh suggested to the Mayor that he [Mayor] “seems conflicted,” and added that “there is little data presented that justifies the expense.”

Mayor Hawke stated that the Johnny Appleseed Trail Association (“JATA”) and the North Central Massachusetts Chamber of Commerce “say that it [JATA membership] is a boon to Gardner.” He said that Leominster and Fitchburg use a large percentage of their (Hotel/Motel) Room Tax to pay their membership dues, adding that Gardner “got a one-time deal last year.” He continued, saying that the City of Gardner has

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been billed for the current year and that Free Cash could be used as a source to pay the City's membership dues.

Councillor Walsh asked the Mayor if he recommended the appropriation.

The Mayor replied that he "does not oppose it."

Councillor Walsh said that without the Mayor's recommendation, then he would recommend that the Committee would issue "a negative recommendation" to the Council.

President Cormier suggested that the Mayor include the JATA membership dues in his Fiscal Year 2019 Budget Recommendations.

On a motion by Councillor James Walsh and seconded by President Ronald Cormier, it was voted to recommend to the City Council that the following Order ought not to pass:

AN ORDER APPROPRIATING FROM FREE CASH TO THE ROOM TAX MAYOR'S DEPT. – PROFESSIONAL FEES.

ORDER: That there be and is hereby appropriated the sum of Five Thousand Five Hundred Dollars and No Cents (\$5,500.00) from Free Cash to the Room Tax Mayor's Dept. - Professional Fees.

2-5 An Order Appropriating \$5,697.00 from Free Cash to the GRA Supplies Expenses Account.

City Auditor John Richard informed the Committee that an accounting error was discovered, represented by the amount of the Order. He said that \$5,697.00 slated for GRA Supplies in FY2013 should have been encumbered to FY2014, but that it was inadvertently closed to Free Cash, noting that his predecessor "changed the account number and closed it out."

On a motion by Councillor James Walsh and seconded by President Ronald Cormier, it was voted to recommend to the City Council that the following Order ought to pass:

AN ORDER APPROPRIATING FROM FREE CASH TO GRA SUPPLIES EXPENSES ACCOUNT.

ORDER: That there be and is hereby appropriated the sum of Five Thousand Six Hundred-Ninety Seven Dollars and No Cents (\$5,697.00) from Free Cash to the GRA Supplies Expenses Account.

2-6 An Order Transferring \$24,383.00 from Sewer Surplus to Sewer Department for Debt Service Principal.

DPW Director Dane Arnold informed the Committee that the order represents the Loan Origination Fee for the WWTF Headworks Project.

On a motion by Councillor James Walsh and seconded by President Ronald Cormier, it was voted to recommend to the City Council that the following Order ought to pass:

AN ORDER APPROPRIATING FROM SEWER SURPLUS TO SEWER DEPT. FOR DEBT SERVICE PRINCIPAL.

ORDER: That there be and is hereby appropriated the sum of Twenty-Four Thousand Three Hundred Eighty Three Dollars and No Cents (\$24,383.00) from Sewer Surplus to Sewer Dept. for Debt Service Principal.

2-7 An Order Transferring \$22,659.00 from Sewer Surplus to Sewer Department for Debt Service Interest.

DPW Director Dane Arnold informed the Committee that the order represents the Loan Origination Interest for the WWTF Headworks Project.

On a motion by Councillor James Walsh and seconded by President Ronald Cormier, it was voted to recommend to the City Council that the following Order ought to pass:

AN ORDER APPROPRIATING FROM SEWER SURPLUS TO SEWER DEPT. FOR DEBT SERVICE INTEREST.

ORDER: That there be and is hereby appropriated the sum of Twenty-Two Thousand Six Hundred Fifty Nine Dollars and No Cents (\$22,659.00) from Sewer Surplus to Sewer Dept. for Debt Service Interest.

2-8 An Order Rescinding Loan Order No. 12806 Watkins Field – Design and Engineering Improvements.

On a motion by Councillor James Walsh and seconded by President Ronald Cormier, it was voted to recommend to the City Council that the following Loan Rescission ought to pass, contingent on passage of AN ORDER APPROPRIATING \$146,300.00 FROM FREE CASH TO THE WATKINS FIELD - CAPITAL IMPROVEMENT ACCOUNT:

AN ORDER RESCINDING LOAN ORDER No. 12806 WATKINS FIELD – DESIGN AND ENGINEERING IMPROVEMENTS.

ORDER: To rescind the vote taken on October 3, 2017, under Calendar Item #9846, ordering that the City of Gardner appropriates the sum of One Hundred Forty-Six

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Thousand and Three Hundred Dollars (\$146,300.00) to pay costs of designing and engineering improvements at Watkins Field, and paying other costs incidental or related thereto; to meet said appropriation the Treasurer, with the approval of the Mayor, is authorized to borrow said sum under M.G.L. Chapter 44, Section 7(7), or any other enabling authority. Any premium received upon the sale of any bonds or notes approved by this vote, less any such premium applied to the payment of the costs of issuance of such bonds or notes, may be applied to the payment of costs approved by this vote in accordance with Chapter 44, Section 20 of the General Laws, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount and that the Mayor is authorized to take any other action necessary or convenient to carry out this vote.

3-1 A Measure Confirming the Mayor's Appointment of Monica Whitehouse to Member, Council on Aging, for term expiring December 4, 2020.

Mayor Hawke informed the Committee that Monica Whitehouse, although having recently relocated to Holden, was a longtime Gardner resident and currently is employed in Gardner. He added that she has been active with the Council on Aging and many other local organizations.

On a motion by Councillor James Walsh and seconded by President Ronald Cormier, it was voted to recommend to the City Council that it confirm the Mayor's Appointment of Monica Whitehouse to the position of Member, Council on Aging, for term expiring December 4, 2020.

4-1 A Request from the Retirement Board to Increase Member Stipends.

City Auditor John Richard and Retirement Board Chair Denise Merriam appeared before the Committee on behalf of the members of the Gardner Contributory Retirement Board.

Ms. Merriam informed the Committee that Board members are required to meet certain educational requirements/credits, as well as utilizing their personal computers to achieve the requirements, adding that some members had to purchase computers in order to comply with training and educational requirements. She noted that since the inception of stipends for board members, there has never been an increase. The Board is seeking an increase of \$500 per year per member, from the current stipend of \$3,000 annually to \$3,500 annually and the cost of the increase would be borne by the Retirement Fund. She added that the relevant statute establishes a minimum of \$3,000 annually per member to a maximum of \$4,500 annually per member.

Mayor Hawke informed the Committee that he opposes the requested increase, saying that the recently-completed compensation study assessed the stipends and it was

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determined that the Board members are compensated thrice the amount paid to the Chairs of comparable boards and commissions.

On a motion by Councillor James Walsh and seconded by President Ronald Cormier, it was voted to recommend to the City Council that it adopt the following Ordinance:

AN ORDINANCE TO AMEND THE CODE OF THE CITY OF GARDNER, CHAPTER 171 THEREOF, ENTITLED "PERSONNEL" COMPENSATION SCHEDULE.

Be it Ordained by the City Council of the City of Gardner as follows:

Section 1.

Section 171-68, Compensation Schedule, of Chapter 171, Personnel, of the Code of the City of Gardner, is hereby amended by striking "Retirement Board, Member [MGL c. 32, §20(6)], \$3,000," and inserting in place thereof, "Retirement Board, Member [MGL c. 32, §20(6)], \$3,500.00."

Section 2: Effective Date.

This ordinance shall be effective on July 1, 2018.

5-1 A Resolution in Support of the Remediation and Redevelopment of 246-248 Central Street.

Community Development & Planning Director Trevor Beauregard and Anne Mola, Chief Financial & Operating Officer, NewVue Communities, appeared before the Committee.

Mr. Beauregard informed the Committee that NewVue Communities has assumed the administration of the former Greater Gardner Community Development Corporation ("GGCDC") building on Central Street, which is owned by TD Bank. He said that in order for NewVue, a non-profit organization, to acquire the property, it must first address an air quality issue, "a vapor." The cost to remediate the air quality problem is approximately \$134,230 and that in order for NewVue to access grant funds from MassDevelopment, the City is required to repay up to 15% of "any economic benefit that the City receives attributable to the development of the property. Mr. Beauregard added that "the economic benefit" can be measured by the increase in property tax revenues attributable to improvements to the building. Continuing, he said that the cost to the City is projected to be \$600 to \$700 per year in the first year and that the reimbursement amount would change each year based on the assessed value, adding that the City would reimburse MassDevelopment at the rate of 15% per year for 20 years.

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Mayor Hawke added that the annual reimbursement to MassDevelopment would be included in his annual Budget.

On a motion by Councillor James Walsh and seconded by President Ronald Cormier, it was voted to recommend to the City Council that it adopt the following Resolution:

RESOLUTION IN SUPPORT OF THE REMEDIATION AND REDVELOPMENT
OF 246-248 CENTRAL STREET, GARDNER, MA 01440

WHEREAS, the land located at 246-248 Central Street has become a public safety danger due to the substantial presence of hazardous materials, and remediation has become the only viable option for the property to be reused/occupied;

WHEREAS, NewVue Affordable Housing Corporation has been awarded a Brownfields Recoverable Grant in the amount of \$134,230.00 from MassDevelopment for the remediation of air quality issues at the Site;

WHEREAS, to foster this economic development opportunity in the Downtown Urban Renewal Area, the City of Gardner has agreed to repay the Recoverable Grant pursuant to the terms of the grant agreement:

NOW, THEREFORE, the Gardner City Council votes as follows:

Beginning in the fiscal year when any Economic Benefit to the Municipality (as hereafter defined) is realized, the City of Gardner shall include in its annual budget a line item requiring payment to MassDevelopment of an amount equal to 15 % of any Economic Benefit to the Municipality, until the earlier of: (i) full payment of the amount of the Recoverable Grant that has been disbursed and has not already been repaid to MassDevelopment, (ii) the expiration of 30 years from the date on which the first Economic Benefit to the Municipality is realized, or (iii) if no redevelopment on the Site commences, the expiration of 30 years from the date of the Recoverable Grant.

For the purposes of this vote, "Economic Benefit to the Municipality" means any increase in the annual property tax and/or other municipal revenues for the Site (including but not limited to non-profit PILOT revenue, local hotel-or restaurant-tax revenue, and new local revenues derived from municipality – owned redevelopment projects) attributable to development of the Property above the Baseline Value of the property (as hereinafter defined). The "Baseline Value" means the amount of property tax and related tax revenue assessed by the City of Gardner on the Site in the fiscal year of the execution of the, such amount having been calculated by the municipality and determined to be \$134,230.00 (the "Baseline").

NEW BUSINESS

An Order Authorizing Acceptance of Grant Funds and Borrowing Relating to Acquisition of the Omealia Property.

Community Development & Planning Director Trevor Beauregard informed the Committee that the City was awarded a LAND Grant for the open space portion of the Omealia Property and is seeking a PARC grant for a recreation area on the second part of the parcel. He added that the City is required to accept the Grant award by the end of 2017 and that the LAND Grant is conditioned upon the agreement that the Project will still proceed should the City not be awarded the PARC Grant.

Councillor Walsh noted that the Omealia parcel is adjacent to the Alisaukas property, which the City recently acquired for open space and conservation purposes.

Atty. Janet H. Morrison, the City's Consultant for the Project, informed the Committee that the Town of Winchendon approved and completed the process for the Alisaukas acquisition. She said that the City should learn from EOEA in early January if the City is awarded a PARC Grant and that both grants must be awarded "in order for the Project to go through." She added that separate Deeds would be prepared and would incorporate open space restrictions.

Councillor Walsh noted that the City appropriated \$58,052, representing its match of the Grants and questioned the planned utilization of the park portion.

Conservation Agent Jeffrey Legros informed the Committee that two full-sized soccer fields are planned, as well as "a naturally-designed play area." He said that the parcels would be connected with a looped walking trail about one mile long, linked to other conservation areas, the City Forest and Perley Brook Reservoir.

Councillor Walsh noted that the area would greatly benefit from the addition of a recreation and playground facility, especially since the nearest public playground, Ovila Case, is some distance away.

Mr. Beauregard added that the Department will solicit public input about the potential uses of the park land before its final development.

Councillor Walsh questioned whether the language contained in the proposed Resolution encompassed all conditions.

Atty. Morrison replied, saying that the Executive Office of Energy and Environmental Affairs reviewed and approved the Resolution.

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AN ORDER AUTHORIZING ACCEPTANCE OF GRANT FUNDS AND
BORROWING RELATING TO ACQUISITION OF THE OMEALIA PROPERTY

ORDER: To authorize the Mayor of the City of Gardner to accept grant funds in the amount of up to Seventy One Thousand Thirty Eight and 00/100 Dollars (\$71,038.00) awarded to the City under the LAND Grant program, Chapter 132A, §11, and enter any necessary contracts thereto, for the purpose of purchasing approximately 93.5 acres of land on Leo Drive, known as the Omealia Property, described below, to be held and managed by the Conservation Commission for conservation and passive recreation, pursuant to M.G.L. c. 40, §8C, and to borrow, appropriate and expend up to One Hundred Fourteen Thousand Five Hundred and 00/100 Dollars (\$114,500), pursuant to M.G.L. c. 44, §7, for the purchase of said land in fee, in accordance with the attached Budget, being a portion of Assessors Parcel *H37/23/35*, located on Leo Drive, shown as Parcel B on the attached Map, said purchase to be contingent on the City receiving a state PARC grant award in an amount of not less than Ninety Eight Thousand Three Hundred Eighty Eight and 00/100 Dollars (\$98,388.00) for the purchase of approximately 28.8 acres of land on Leo Drive, known as the Omealia Property, being a portion of Assessors Parcel *H37/23/35*, shown as Parcel A on the attached Map, to be acquired pursuant to M.G.L. c.45, §3, to be held and managed by the City Public Works Department, Division of Parks and Recreation, as a park for public recreation, the entire property to be permanently conserved under Article 97 of the Amendments to the Constitution of the Commonwealth of Massachusetts.

ADJOURNMENT

On a motion by Councillor James Walsh and seconded by President Ronald Cormier, it was voted to adjourn at 11:50 a.m.