

Chelsea, Massachusetts, January 24, 2011

A Regular meeting of the Chelsea City Council was held. The meeting was held at the Chelsea City Hall located at 500 Broadway. The following Councilors were in attendance: Councilors, Vega-Torres, MeKonnen, Hatleberg, Maronski, Robinson, Barton, and Brown. Councillor Cortell arrived at 7:07 p.m. Councillor Bishop arrived at 7:05 p.m. Councillor Washington arrived at 7:01 p.m. Councillor Bongiovanni was absent. Councillor Vega-Torres, President of the Council, presided over the meeting. The meeting opened at 7:00 P.M.

Memoriums and celebratory resolutions:

The following Resolution was introduced by Councillor MeKonnen and all members of the City Council. A motion from Councillor MeKonnen to accept and file was adopted under suspension.

RESOLUTION

WHEREAS, Hilda Snow immigrated to Chelsea from Newfoundland, Canada with her family as a girl of seventeen in 1930, and with her parents, three sisters and one brother they settled here in Chelsea and,

WHEREAS, she made her home and married Stanley Reid, raised two children Stanley Jr. and Elaine. Today she has three grandchildren and a great grandchild and,

WHEREAS, to this day she continues to reside in Chelsea at 45 Addison Street and she remains active in her civic interest in her neighborhood as Neighbors Against Blight (N.A.B.) since the inception of Neighbors Against Blight; now therefore be it,

RESOLVED, that this City Council, on behalf of all Hilda Reid's neighbors and all the citizens of Chelsea, congratulates Hilda upon the celebration of her 98th birthday and all wish her a very Happy Birthday on January 30,2011.

Public speaking:

The public speaking portion of the meeting opened at 7:09 P.M.

The following came forward to speak:

Brian Capistran, President of the Chelsea Firefighters Local Union, spoke about communication to be read from the City Manager with regards to Firefighters O.T. and requested that a Sub-Committee on Conference be held as soon as possible to discuss it.

The public speaking portion closed at 7:14 P.M.

The minutes of the City Council meeting dated January 10, 2011 were approved at the request of Councillor Robinson under suspension.

Communications from City Manager:

The following communication was read from City Manager Jay Ash. A motion from Councillor Hatleberg to accept and file was adopted under suspension.

The Honorable City Council
City Hall
Chelsea MA 02150

Dear Honorable City Council

Last fall, Council took action to advance the Webster Block project by supporting the Administration's request to authorize a loan to the project in the amount of \$1,500,000. As you will recall, the first \$500,000 was then appropriated to an account from which the Economic Development Board manages the loan. The second portion of the loan was to be funded with proceeds from a land use payment to be made to the City by NSTAR. That funding now having been received, I hereby request Council appropriated the second portion of \$1,000,000 to complete the commitment to the Webster Block project.

I remind you that the terms of the loan are for a period of no longer than 5 years, at an interest rate of 6.25%, with the principal guaranteed by the borrower. The project will result in 120 market rate units being developed (with the 32 affordable units developed at Spencer Row having been created as a result of the development agreement encouraged by the City). In addition to building fees, property taxes and future excise taxes being anticipated for the project, the State has directed \$500,000 in funding to support public infrastructure in the area.

As you have no doubt seen, the project is underway and out of the ground. The developer reports that the Council commitment allowed for all other financial commitments to be secured, which ultimately led to the start of the project. You are to be congratulated for your role in making this happen.

Sincerely,
Jay Ash
City Manager

The following communication was read from City Manager Jay Ash. A motion from Councillor Barton moved the communication to the Sub-Committee on Conference under suspension.

The Honorable City Council
City Hall

Chelsea MA 02150

Dear Honorable City Council

Council is aware of the tax relief program offered to businesses expanding in Chelsea and authorized by the State. The use of the program has encouraged more than \$100,000,000 of private investment in our community, and has resulted in important projects, like the construction of the Wyndham Hotel, retention and expansion of Kayem Foods and the acquisition made by a GE subsidiary, to take place here in Chelsea. Arguably, our use of our tax relief initiative has been the single most important component of our very successful economic development strategy. I estimate that we receive more than \$2,000,000 annual in various revenues as a result of our use of that program.

As you know, tax relief can only be authorized by the State. The State is contemplating offering a new type of tax relief program that may encourage the development of certain residential projects that otherwise might not move forward in these difficult days of project financing. Of course, we are no stranger to devising and utilizing new tools to encourage residential development; the Webster Block effort being the latest success. I would like to explore with you in subcommittee the possibilities of the soon to be released program and whether we may wish to utilize it to secure the next market rate development in the Box District.

At your earliest convenience, I would request that we meet in subcommittee so that I may make a presentation on both the potential tax relief program and look at it in the context of the project that may be a good fit for it. If the program is something we are likely to adopt and offer, having an understanding of that earlier than later would put any application of ours in better position for State approval. Unlike the business tax relief program, the potential residential tax relief program will have a cap on the number of projects that can be approved.

Thank you for your consideration of this request and your continued support of our economic development agenda.

Sincerely,
Jay Ash
City Manager

The following communication was read from City Manager Jay Ash. A motion from Councillor Hatleberg moved the communication to the Sub-Committee on Conference under suspension.

The Honorable City Council
City Hall
Chelsea MA 02150

Dear Honorable City Council:

At your earliest convenience, I would welcome the opportunity to review Fire Department spending and potential adverse impacts on staffing levels in the future should we not take and future action to supplement the current overtime budget. More specifically, prior to the Administration taking action to take a piece of equipment out of service because funding is not available to support the necessary overtime to keep all our pieces in service, I believe we should discuss the implications of such an action and be sure to consider the alternatives, if those alternatives are palatable to Council.

In short, overtime is nearly exhausted for FY'11, although nearly half of the year still remains. Injury has certainly been a major drain on overtime resources, but we should explore together all of the factors involved. We are fortunate to have received federal funding to support higher staffing levels, but those higher staffing levels require higher overtime expenditure to maintain, which is not reimbursable through the federal grant. There are other factors to consider as well.

I would consider this to be an important discussion for thoughtful and fiscally responsible municipal officials to conduct. It is, in fact, an appropriate way to work together and stay in communication with each other about pressing matters that may soon confront us. With this in mind, your willingness to meet soon would be greatly appreciated.

Sincerely,
Jay Ash
City Manager

Communication and petitions to the Council:

A copy of a communication was received from N.A.B., Neighbors Against Blight, dated December 25, 2010 and January 8, 2011. A motion from Councillor MeKonnen to accept and file was adopted under suspension.

A copy of a communication was received from Thomas and Michelle Arcadipane, and Dorothy Arcadipane regarding Councillor Mike MeKonnen. A motion from Councillor Robinson to accept and file was adopted under suspension.

A late communication was received from Eastern Express Car Wash with regards to the drag racing that goes on late at night. A motion from Councillor Barton moved the communication to the Sub-Committee on Public Safety under suspension.

Committee Reports:

The minutes of the Sub-Committee held on January 10, 2011 were approved at the request of Councillor Hatleberg under suspension.

New Business:

The following order was introduced by Councillor Hatleberg. A motion from Councillor Hatleberg referred it to a second reading under suspension.

ORDERED, that the sum of \$1,000,000 be appropriated from the Sale of Land/Transfer to Special Revenue Account 307911-592000 to Redevelopment Loans Account 30305-573000 to fund the loan for the Webster Block Development.

A moment of silence was conducted for the passing of Chet Kwiatowski and Helen Nowicki at the request of Councillor Robinson.

The meeting adjourned at 7:30 P.M.

Respectfully submitted,

Paul G. Casino
Clerk of the Chelsea City Council