

Chelsea, Massachusetts, May 9, 2011

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

Memoriums and celebratory resolutions:

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

RESOLUTION

- WHEREAS,** In September, 1995 the Massachusetts Chapter of the Arthritis Foundation conducted a 6 week “Self Help” course at the Chelsea Senior Center, taught by Nurse Susan Brown; and
- WHEREAS,** At the end of the 6 week “Self Help” course, participants of the group were eager to form an Arthritis Support Group at the Chelsea Senior Center; and
- WHEREAS,** The original committee members of the seniors center’s Arthritis Support Group who spearheaded the its success are; Corrine Faulkner, Stella Kidd, Edith Spinney, Bea Espaza, Estelle Zielinski, Marie Reale, Ameila Banos and later joining the committee Marion McDonough; and
- WHEREAS,** Because of the determination and commitment of the Arthritis Support Group’s committee members, the group has and continues to exist 16 years since its inception; and
- WHEREAS,** With the professional collaboration of the Massachusetts Chapter of the Arthritis Foundation Vice President Suzanne Gauthier, the group meets one day per month on topics relating to managing and living with Arthritis; and
- WHEREAS,** As of June, 2011 two members of the original Arthritis Support Group committee will retire from the Chelsea Senior Center’s Arthritis Support Group; Corrine Faulkner and Marion McDonough will pass the torch over to Stella Kidd and Anna Panniello. Now, therefore be it
- RESOLVED,** that the Chelsea City Council hereby congratulate Corrine Faulkner and Marion McDonough on their retirement from the Chelsea Senior Center’s Arthritis Support Group and further acknowledge and thank them for their hard work, commitment and caring for the group’s successful tenure.

Public Hearing regarding the Capital Improvement Plan:

The public hearing opened at 7:07 P.M.

The following came forward to speak:

Jay Ash, City Manager, gave brief remarks about the C.I.P.

Teresa Czeripica, 21 Prospect Avenue, commended the City Manager on the C.I.P.

The public hearing closed at 7:09 P.M.

The Public Speaking portion of the meeting opened at 7:10 P.M.

No one came forward, and it closed at 7:11 P.M.

The minutes of the City Council meeting dated April 25, 2011, and the Special Meeting dated April 25, 2011 were approved at the request of Councillor Barton under suspension.

Communications from City Manager:

The following communication was read from City Manager Jay Ash. A motion from Councillor Hatleberg to move it to conference and schedule a Public Hearing was approved under suspension.

The Honorable Chelsea City Council
City Hall
Chelsea, Massachusetts 02150

Dear Council:

Please find enclosed the Administration's proposed FY'12 budget. The \$131,034,297 request includes the General Fund budget of \$115,230,972 (down 4.5%) and the Water & Sewer Enterprise budget of \$15,803,325 (up 3.0%). This filing fulfils the requirements of the City Charter and Massachusetts General Law. The FY'12 expenditures are fully funded. The remainder of this communication focuses on the General Fund budget and that proposed in FY'11.

As noted, the annual spending plan is down 4.5% over the FY'11 budget. The reduced spending is almost entirely a result of a reduction in debt service, achieved through the City's early payoff of outstanding school building debt early in order to achieve a net benefit of \$2.5m. Reduced debt service is also a reflection of the City's efforts to conduct more pay-as-you-go funding for infrastructure improvements.

Other noteworthy spending matters included the intention of the Administration to add 5 new positions on the municipal-side (and a 6th through the Water & Sewer Enterprises), while the school Dept. will eliminate 5-25 positions of the school-side. Although both fall

under the umbrella of the FY'12 budget, municipal and school spending is supported and administered differently. One difference is the state aid that supports expenditures, with 83% of school spending supported by state aid, compared to only 13% of municipal spending. Thus, when state aid receipts slow or reverse, the School Dept. is more adversely impacted. Decisions on spending allocations are largely segregated. With school aid level funded, the School Dept. is being forced to reduce spending by more than \$2m as a result of contractual increases that have driven required spending up.

Of the new hires on the municipal-side, 2 will allow the Police Dept. to double its Drug Unit. DPW will realize an increase of 2, with 1 full time laborer, a temporary, part-time solid waste enforcer and a temporary, part-time recycling coordinator also being added. Staffing in the Clerk's office will increase by 1 to allow the City to administer the new parking regulation plan anticipated to be implemented in August. (The Water & Sewer Enterprises position will focus on financial management.) Additionally, the City has received full federal funding to support the hire of 4 new firefighters.

The largest increases in spending are again attributable to employee benefits, with health insurance up approximately 7% and retirement assessments up 4.5%. The FY'12 experience is similar to those realized the last decade, and again cause the Administration to advocate at the State House for relief of the skyrocketing costs. The State seems poised to address health insurance sometime shortly, although it is not clear that will impact the FY'12 budget.

Revenues are down, largely the result of two significant occurrences. The first relates to the school department refunding, as the \$6m the City received in FY'11 is zeroed-out for FY'12. Again, the City received a net benefit of \$2.5M by eliminating the school debt; however, the proceeds have been segregated in reserve funds for future school construction (\$2.4m) and a General Fund stabilization account (\$3.1m). Thus although the revenue source has disappeared from the annual budget, a similar reduction in expenses has occurred and the remaining funding, including the net benefit of \$2.5m, has been directed to stabilization accounts.

Unfortunately, non-school local aid is down 7% (\$500k), and is now down 40% from its FY'01 high. The accumulated \$4.2m reduction over the last 11 years, which is approximately \$7m if inflation is included, continues to place pressure on municipal spending. Thus, department spending is generally level funded. For example, employee salaries are only assumed to increase by 0.5%, although collective bargaining negotiations are underway and could influence spending requirements.

Filling in the gaps on revenues are increases in property taxes (\$1,455,271), which includes projected new growth relating to economic development and other improvements (\$700k), and motor vehicles excise taxes (\$1,627,000).

To support the overall budget, a Free Cash appropriation of \$1,877,888 is required, which is down \$134,806 from FY'11. The decrease in need for Free Cash reflects the City's continuing efforts to maintain and enhance the City's financial position. As reported in

the City's Five Year Financial Forecast, financial management is expected to continue to improve the City's overall financial condition.

I look forward to reviewing the particulars of the spending plan with Council soon. In advance of that session, please know that I continue to appreciate Council's role in producing what is generally an excellent financial position for a municipality to be in after these many years of difficult financial times. Council's leadership and support is a prime reason for this to be realized.

Sincerely,
Jay Ash
City Manager

The following communication was read from City Manager Jay Ash. A motion from Councillor Robinson to accept and file was adopted under suspension. Councillor Robinson also requested that a copy be attached to the pending conference, with the Auditing Firm.

The Honorable City Council
City Hall
Chelsea, Massachusetts 02150

Dear Honorable Council:

I have attached the final version of the Comprehensive Annual Report (CAFR) for FY'10.

I am quite proud of the characterization of the City's management contained within the CAFR. I note to you as you review the CAFR that no material weaknesses are cited. The absence of any significant comments by the auditors regarding our financial administration remains newsworthy and reflective of the great care the Council and Administration share with regard to the stewardship of the City.

You will see that the Management Letter carries with it four new "comments and suggestions" regarding the local operation. None of those items rise to the level of "concern" or worse, and some may be more informational than commentary. Nonetheless, the suggestions in the Management Letter are valuable in that they offer yet another opinion to the opinions we have ourselves as to how to address the numerous "small" issues that are abounding in the management of a \$130,000,000-plus budget.

I do note that Council wishes to receive the work of the outside audit firm much earlier than is being presented this year. My staff has communicated that to the audit firm and will continue to offer every assistance we can to help the auditors meet that desired goal for next year. We will secure a schedule for the completion of the FY'11 audit, which should begin this month, and will share that with you once received.

Again, no “serious issues have been raised in any portion of the audit review that would indicate anything close to a material weakness. You should be congratulated for and proud of your role in promoting string financial management worthy of credit rating upgrades, audit reports free of material weaknesses and national awards. It remains my pleasure to partner with you to that end.

Very truly yours,
Jay Ash
City Manager

The following communication was read from City Manager Jay Ash. A motion from Councillor Bongiovanni to accept and file and refer it to the Sub-Committee on Conference was adopted under suspension.

The Honorable City Council
City Hall
Chelsea, Massachusetts, 02150

Dear Honorable Council:

There are two redistricting issues which I believe Council may wish to consider and upon which Council will certainly be required to act. The first relates to adopting new ward and precinct lines for State elections. The second relates to adopting new district lines for City elections. Action on State ward and precinct lines is required by June 15th, and preferred by May 31st. The action on the City district lines are best done, in my opinion, concurrently. I therefore respectfully recommend that Council hold a subcommittee meeting to review State recommendations on ward and precinct lines, and consider acting concurrently on City district lines, at your earliest possible opportunity.

Ward and precinct lines are most important in use for State legislative seats. The City has no control over which precincts are included in a legislative district. The City’s control is the adoption of the ward and precinct lines, with those lines needing to be within prescribed population limits.

Currently, our City district lines do not confirm to State ward and precinct lines. There is no law requiring the lines to match, however, voter confusion and election management issues do exist when the lines are not aligned.

Council should be aware that proposed realignment of State ward and precinct lines are not dramatically different than those that exist today. However, bringing City lines into conformity to the State lines does present some changes to the districts that are currently represented by district councilors. It may be that Council wishes to take this opportunity to examine this issue. I would recommend doing so as we have some technical assistance available from the State that would be most helpful in mapping and population issues.

For your information, Council can act on the State district lines within the required time from without concern for the memorandum of agreement we have with the US Department of Justice. However, I would recommend that the City consult DOJ prior to adopting new municipal lines, as those districts lines would presumably impact School Committee lines, which are subject of the DOJMOA.

Prior to your subcommittee meeting I shall strive to provide you a summary of the changes that would be necessary to produce one, unified set of lines.

Sincerely
Jay Ash
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.

Honorable City Council
Chelsea City Hall
500 Broadway
Chelsea, MA 02150

Re: Transfer from Library Expenditure Line to Library Capital Line for new computers.

Ladies and Gentlemen of the Council:

The Library Director has requested a transfer of remainder funds in the amount of \$1,398.40 from the Expenditure line-Other Professional Services to the Capital line-computers, in order to accomplish the replacement of underperforming computers used by library patrons and staff.

The savings in the "Other Professional Services" line is due to a modest mid-year reduction in the planned fee for the annual network assessment charged by the Boston Public Library (BPL). Participation in the BPL system has saved Chelsea tens of thousands as compared to independent or other regional systems and also has afforded excellent access and system management services.

The computer funds are needed to replace patron and employee computers. The Library was the pilot for the "Virtual Desktop" system-the coaster sized device tested to replace the Central Processing Units (CPU). The Library pilot project determined that the Virtual desktop equipment or CPU system performs best on employee computers, but is not optimal for patron applications due to the protection software, called Cornerstone (Instant Restorer) and Watchdog (restricts computer usage.) A combination of the two systems will be used. This is part of the City's effort to stretch our investment in system equipment through less expensive applications.

Library patronage is up sharply over recent years and use of the patron computer work stations has grown accordingly. There is also a staff workstation which will need to be replaced.

We believe this modest transfer expenditure will significantly assist the Library in delivering general computer services, and advance application of the City's pilot program

I have drafted a proposed order to make the transfer. I respectfully request that the Council take appropriate action on this matter.

Sincerely,
Jay Ash
City Manager

Communications and petitions to the Council:

A copy of a communication was received from Deborah Clayman, Parking Clerk, regarding the Traffic and Parking Commission meeting held on April 26, 2011. A motion from Councillor Hatleberg to accept and file was adopted under suspension.

Unfinished Business:

Councillor Hatleberg moved to take from Conference the C.I.P. so that it may be acted upon. This was done under suspension without objection. The following Loan Order was read for the second time and introduced by Councillor Hatleberg. A motion from Councillor Hatleberg to adopt by roll call passed 9-0-2-0. Voting yes were Councilors Vega-Torres, Bongiovanni, Cortell, Washington, Bishop, Hatleberg, Maronski, Robinson, and Brown. Councilors MeKonnen and Brown were absent.

**City of Chelsea, Massachusetts
Fiscal Year 2012
Capital Improvement Program Loan Order**

BE IT ORDERED: That the various capital projects and equipment purchases shown under the heading of Grant Funding on the Schedule, and consisting of: Miscellaneous Grants (\$1,601,000) and Chapter 90 (\$627,000), for a total of \$2,228,000, shall be undertaken and financed by grants or other funds as shown on the Schedule, such grants to be expended under the direction of the City Manager and that the City Manager or his designee is hereby authorized to apply for, accept and expend any state or federal grants that are or may become available for these purposes; and

That the total sum of \$969,000, be and hereby is appropriated to pay the costs of various capital projects and equipment purchases, shown on the Schedule under the headings: General Fund Borrowing (\$394,000) and Sewer Fund Borrowing (\$575,000),

including the payment of any and all design, engineering, construction and installation costs associated therewith, and for the payment of all other costs incidental and related thereto; and that the Treasurer, with the approval of the City Manager, is hereby authorized to borrow the sum of \$969,000 under and pursuant to Chapter 44, Sections 7 and 8, of the General Laws, as amended, or pursuant to any other enabling authority and to issue bonds or notes of the City therefore; and

That the sum of \$1,208,390, be and hereby is appropriated to pay costs of water system improvements eligible for financial assistance through the Massachusetts Water Resource Authority's Local Pipeline Assistance Program, including the payment of any and all other costs incidental and related thereto; and that the Treasurer, with the approval of the City Manager, is hereby authorized to borrow the sum of \$1,208,390 under and pursuant to Chapter 44, Sections 7 and 8, of the General Laws, as amended, or pursuant to any other enabling authority and to issue bonds or notes of the City therefore; and

The sum of \$1,250,430 be and hereby is appropriated from Free Cash to pay the costs of various capital projects purchases, shown on the Schedule under the heading: Free Cash (\$1,250,430.)

The following Resolution was introduced by Councilors Vega-Torres, Bishop, Bongiovanni, Hatleberg, Robinson, Maronski, Washington, and Cortell. A motion from Councillor Hatleberg to adopt by roll call passed 9-0-2-0. Voting yes were Councilors Vega-Torres, Bongiovanni, Cortell, Washington, Bishop, Hatleberg, Maronski, Robinson, and Barton. Councilors MeKonnen and Brown were absent.

RESOLUTION

- WHEREAS,** The City Charter requires the annual adoption of a five year Capital Improvement Program; and
- WHEREAS,** A Capital Improvement Program is an integral component of the City's financial planning and a cornerstone for our quality of life, both of which foster the economic development necessary to expand our tax base and sustain the life of the community; and
- WHEREAS,** A Capital Improvement Program is necessary for the maintenance and improvement of the City's infrastructure, possible only in conjunction with long term financial planning; and
- WHEREAS,** A Capital Improvement Program reduces on-going maintenance costs and the high cost of emergency repair work; and
- WHEREAS,** In this year, 2011, we, the City Council of the City of Chelsea, have now before us the twelfth such capital improvement program, entitled "Stewardship" and hereby accept the submission of this capital improvements program as provided for in Section 5-4 of the

City Charter, no other requirements being provided by ordinance;
and

WHEREAS, Adoption of the Capital Improvement Program prior to submission of the operating budget assists the City Manager in carrying out his duties, as the impact of the capital budget expenditures for the on-coming fiscal year are reflected in the annual operating budget; and

WHEREAS, This Capital Improvements Program for fiscal years 2012-2016, includes projects for the maintenance and improvement of the City roadways, water, sewer and drainage systems, roadways and sidewalks, transportation, public buildings and facilities, parks and open space, public safety projects, and general equipment; and

WHEREAS, In accordance with section 5-4 C of the City Charter a public hearing was held on May 9, 2011, prior public notice having been properly given.

NOW THEREFORE,

BE IT RESOLVED, The City Council having reviewed the Chelsea's Capital Improvement Program, 2012-2016, recognizes the hard work and continuing effort put into this document by City Officials, and does hereby adopt this Program without amendments.

New Business:

The following Order was introduced by Councillor Maronski. A motion from Councillor Maronski to adopt under suspension was adopted.

ORDERED, that the City Manager requests the owner of Parkside Commons to replace the Stop Sign that was taken down. (right hand side of C.V.S.)

The following Order was introduced by Councillor Hatleberg. Councillor Hatleberg moved the order to a second reading under suspension.

ORDERED, that the Chelsea City Council authorize the transfer of \$1,398.40 from the Library-Other Professional Services Account #0161052-531900 to the Library Capital Outlay-Computer Equipment Account #0161058-586000.

The following Order was introduced by Councilors Hatleberg, Robinson, Bongiovanni, Maronski, Cortell, Bishop, Vega-Torres, and Washington. A roll call was requested by Councillor Hatleberg and passed 9-0-2-0. Voting yes were Councilors Vega-Torres, Bongiovanni, Cortell, Washington, Bishop, Hatleberg, Maronski, Robinson, and Brown.

ORDERED, that a joint meeting with the City Council and the Parking Commission to continue to work out details of the new-residential parking plan.

The meeting adjourned at 7:20 p.m.

Respectfully submitted,

Paul G. Casino
Clerk of the Chelsea City Council