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ACCEPTED AND FILED
SUSPENSION

Chelsea, Massachusetts May 6, 2019

A Regular meeting of the Chelsea City Council was held. The meeting was held at the Chelsea City Hall located at 500 Broadway, Chelsea Massachusetts 02150. The following Councilors were present: Councilors Garcia, Vidot, Rodriguez, Lopez, Perlatonda, Tejada, Robinson, Bishop, and Recupero. Councilor Avellaneda arrived at 7:13 p.m. Councilor Brown was absent. Councilor President Vidot presided over the meeting. The meeting opened at 7:00 p.m.

Councilor Bishop moved that the order pertaining to Health Insurance presented by Councilor Vidot be taken out of order to be acted upon. There were no objections. A motion was made by Councilor Vidot to adopt by roll call and it passed 8-2-1-0. Voting yes were Councilors Garcia, Vidot, Lopez, Perlatonda, Tejada, Robinson, Bishop, and Recupero. Voting no Councilors Avellaneda and Rodriguez. Councilor Brown was absent.

ORDERED; that the City of Chelsea hereby elects to engage in the process to change health insurance benefits under M.G.L. C. 32b, Section 21-23.

Public Hearings:

The Public Hearing on the Capital Improvement Plan FY'20-FY'24 opened at 7:27 p.m. City Manager Thomas G. Ambrosino spoke briefly on the C.I.P.

That Portion closed at 7:29 p.m.

The Public Hearing on the Proposed Provisions on Zoning Amendments to properly regulate improvements to business districts, including but not limited to outdoor cafes, signage and facade improvements opened at 7:30 p.m.

Rich Cuthie Chelsea Chamber spoke on the matter.
John Mahoney Chelsea Chamber President spoke about the Ordinance.
Victor Rodriguez spoke in favor of the Proposal.
Maureen Cauly 150 Captains Row spoke in favor of the Proposal.
Mimi Graney Planning and Development, spoke in favor of the Proposal.
Thomas G. Ambrosino spoke in favor but requested a conference so that minor changes could be discussed.

That Portion closed at 7:37

The Public Hearing on the Proposed Provision on Zoning Amendments to Short-Term Rentals opened at 7:38 p.m.

City Manager Thomas G. Ambrosino spoke and explained his position on short term rentals.

That portion closed at 7:40 p.m.

The Public Hearing on the Proposed Provision on Zoning Amendments to Inclusionary Housing opened at 7:41 p.m. no one came forward and it closed at 7:42 p.m.

Public speaking:

The public speaking portion opened at 7:43.

Roman Pucko 191 Winthrop Rd. Peabody Mass. Invited everyone to the Memorial Day Ceremonies.

The public speaking portion closed at 7:45 p.m.

The minutes of the City Council Meeting dated April 22, 2019 were approved at the request of Council Lopez under suspension.

The following communication was received from City Manager Thomas G. Ambrosino. A motion from Councilor Robinson moved the communication to a second reading under suspension.

The Honorable Chelsea City Council
Chelsea City Hall
500 Broadway
Chelsea, Massachusetts 02150

Re: *Creation of the Chelsea Scholarship Committee*

Dear Councilors:

I am writing to request that the City Council create a new Chelsea Scholarship Committee pursuant to M.G.L. c. 60, Section 3C, which was adopted by the City Council last Spring. By statute, the Chelsea Scholarship Committee is tasked with distributing financial aid, in the form of scholarships, to Chelsea residents accepted to pursue education beyond the secondary school level. The funds available to the Committee are those collected from taxpayers each year through a voluntary pledge form inserted in the quarterly tax bills. Thus far, approximately \$6,000 has been collected.

The Committee has discretion in the distribution of the funds. However, the statute does require that, in granting scholarships, the Committee take into account a recipient's financial need, character, scholastic record, involvement in community work and extracurricular school activities.

The statute requires that the Scholarship Committee consist of the Superintendent of Schools and at least 4 residents of the City, each of whom shall serve for a term of three (3) years. Accordingly,

pursuant to Section 4-2 of the Charter of the City of Chelsea, I am writing to recommend, in addition to the required position for the Superintendent of Schools, the following four residents:

1. Mr. Juan Gallego, 29 Franklin St., Chelsea, a resident.
2. Ms. Ana Romero, 106 Orange Street, Apt. 2, Chelsea, a teacher in Chelsea Public Schools;
3. Ms. Lisa Lineweaver, 18 Franklin St., Chelsea, the principal at Kelly Elementary School; and
4. Ms. Grace Muwina, 291 Washington Ave., Apt. 3F, Chelsea, a resident.

I respectfully request your approval of this Committee and these appointments.

Sincerely,
Thomas G. Ambrosino
City Manager

The following communication was read from City Manager Thomas G. Ambrosino. A motion from Councilor Bishop to accept and file was adopted under suspension.

The Honorable Chelsea City Council
Chelsea City Hall
500 Broadway
Chelsea, Massachusetts 02150

Re: *Statutory Vote to Negotiate Group Health Plan Design Changes*

Dear Councilors:

I am writing to request that the City Council grant me the statutory authority to negotiate plan design changes to the City's group health insurance policies. This authority is imperative in order for the City to control group health insurance costs.

As you may know, the City's current group health insurance program is governed by an Agreement with the Public Employee Committee ("PEC") created pursuant to the statutory authority of M.G.L. c. 32B, Section 19. The current Agreement with the PEC is a three year deal that expires on June 30, 2019.

During the months of November through March, I did attempt to negotiate with the PEC a new multi-year Agreement that would provide some cost savings to the group health program. Unfortunately, I have not been able to reach agreement with the unions. More regrettably, under M.G.L. c. 32B, Section 19, in the absence of a new agreement, the old PEC Agreement remains in effect indefinitely. This means that, without some City Council action to extricate the City from the rules of Section 19, I cannot effectuate any health care cost savings.

Thankfully, the Legislature has provided an opportunity for the City to solve this dilemma, but it does require City Council action. Specifically, new legislation adopted in 2011, Sections 21-23 of M.G.L. c. 32B, allow municipalities to implement cost saving plan design changes on its own if no agreement can be reached with the PEC, provided that the City agrees to share a percentage of first year savings, up to 25%, with the unions. Again, however, the City can only proceed under Sections 21-23 to

adopt these cost savings if the City Council, by majority vote, agrees to allow the City to proceed in this fashion.

If you grant this authority, I will negotiate reasonable design changes to the City's group health policies, likely by imposing deductibles in line with deductibles paid for health insurance by state employees. Keep in mind that although the statute allows the City to unilaterally implement plan design changes, the statute is clear that no changes can be imposed by a municipality that exceed the plan design elements in place for the most popular health insurance policies available to state employees. So, the City of Chelsea will always have health insurance as least as good as that provided to Massachusetts public employees.

In the absence of this vote to grant me statutory authority under Sections 21-23, I will be unable to effectuate any changes to the City current group health insurance, nor will I have the ability to achieve long term monetary relief on health insurance costs. For these reasons, I respectfully ask that the City Council grant me the authority to proceed under Sections 21-23. The proposed Order is attached.

Sincerely,
Thomas G. Ambrosino
City Manager

The following communication was read from City Manager Thomas G. Ambrosino. A motion from Councilor Robinson moved the communication to the Sub-Committee on Conference.

The Honorable Chelsea City Council
Chelsea City Hall
500 Broadway
Chelsea, Massachusetts 02150

Re: *Independent Audits*

Dear Councilors:

Attached you will find copies of the following documents prepared by outside auditors.

1. the Comprehensive Annual Financial Report for Fiscal Year ended June 30, 2018;
2. the GAO and OMB Reports;
3. the Chelsea Retirement System Pension Schedules Report;
4. the Management Letter; and
5. the City of Chelsea Other Postemployment Benefits ("OPEB") Plan GASB 75 Actuarial Valuation.

The first 4 documents were prepared by CliftonLarsonAllen LLP. The OPEB valuation was prepared by Odyssey Advisors. The two firms are prepared to discuss their respective documents with the City Council on mutually convenient dates.

Sincerely,
Thomas G. Ambrosino
City Manager

The following communication was read from City Manager Thomas G. Ambrosino. A motion from Councilor Bishop moved the communication to the Sub-Committee on Conference under suspension.

The Honorable Chelsea City Council
Chelsea City Hall
500 Broadway
Chelsea, Massachusetts 02150

Re: *Revised Vacant Building Ordinance*

Dear Councilors:

In follow-up to the discussion at the April 17, 2019 Subcommittee meeting, I am submitting to you a new Vacant Building Ordinance. As you will see from the redlined version attached, I have revised the proposed Ordinance to incorporate three specific changes: a new fee schedule which reduces the annual cost for residential buildings such that the first year cost is only \$100.00 more than the current fee; a new provision, Section (e)(4), which waives the fee and tolls the timeframes in circumstances where an owner-occupant is ill or is renovating the property due to fire or other natural disaster; and a new clause in Section (g) that provides discretion to the City Solicitor to waive the fee in circumstances of extraordinary hardship or merit.

I am hopeful that, with these changes, the Council will approve this important regulation.

Sincerely,
Thomas G. Ambrosino
City Manager

The following communication was read from City Manager Thomas G. Ambrosino. A motion from Councilor Bishop moved the communication to the Sub-Committee on Conference under suspension.

The Honorable Chelsea City Council
Chelsea City Hall
500 Broadway
Chelsea, Massachusetts 02150

Re: *OPEB Trust Agreement*

Dear Councilors:

In June of 2011, the Chelsea City Council adopted M.G.L. c. 32B, Section 20 for the purpose of establishing an Other Post-Employment Benefits (“OPEB”) Trust Fund to meet the current and future liabilities of the City for group health insurance benefits for retirees and their dependents. Since that time, the City has been setting aside funds in this Trust to cover this liability. The amounts have been

relatively small. This past year, the City set aside \$300,000 for this purpose, and I will recommend the same for FY20. At this point, the City has approximately \$2 million in this account.

In 2016, the State Legislature completely rewrote M.G.L. c. 32B, Section 20 as part of the Municipal Modernization Act. The new statute is attached. Pursuant to that statute, municipalities that have these OPEB Trust Funds are now required to establish a “declaration of trust” or Trust Agreement and designate a trustee for the Fund. The Trust Agreement is then filed with the Chief Executive and the City Clerk and takes effect 90 days later, unless rejected by the City Council.

In order to bring the City’s OPEB Trust Fund into compliance with the new version of M.G.L. c. 32B, Section 20, I am requesting two actions by the City Council. First, I ask that the City Council formally accept the new version of M.G.L. c. 32B, Section 20 by majority vote. And second, I request that the City Council accept the attached Trust Agreement for the OPEB Trust Fund. The Trustee of this Fund shall be the Treasurer. The required Orders are attached.

Once the Orders and Trust Fund Agreement are approved by the City Council and the new Trust Agreement takes effect, the City’s existing OPEB funds will be subject to this new Trust Agreement. As you will see from the terms of the Trust Agreement, the Trust is irrevocable, and all its funds must be paid to satisfy the OPEB owed to retired City employees and their dependents. (See Article 3.2) Based upon the most recent OPEB Valuation by Odyssey Advisors, the City’s current liability for this obligation is \$186.4 million.

Sincerely,
Thomas G. Ambrosino
City Manager

The following communication was read from City Manager Thomas G. Ambrosino. A motion from Councilor Garcia moved the proposed Budget to the sub-committee on Conference under suspension.

The Honorable Chelsea City Council
Chelsea City Hall
500 Broadway
Chelsea, Massachusetts 02150

Re: *FY20 Budget*

Dear Councilors:

Enclosed you will find my proposed Fiscal Year 2020 Budget. The Budget funds City expenditures at \$86,095,981 and School Department expenditures at \$95,391,784 for a total budget of \$181,487,765. This is approximately \$6.5 million more than FY19, a 3.71% increase.

The FY20 Budget continues support for many programs we have implemented over the past few years. I am proposing again full funding for our wrap around social services in the Downtown, including the two full time Navigators, the support services for the Navigators and the Youth Navigator program. This year’s Health & Human Services Budget also includes a new social services contract to support the ISD Housing Program. We have often found that our Housing Specialists identify individuals and

families whose tenancies are at risk because they are in need of social services. We are hopeful this proposed contract will expedite support for these tenants, allowing them to sustain their existing housing.

The FY20 Budget does contain new positions in three Departments -- E-911, DPW and Elder Services – and an increase from a part-time to a full-time position in the Licensing Department. The E-911 increase (a total of 3 new full-time positions) follows a comprehensive personnel review by the new Director with the goal of ensuring adequate coverage for our growing call volume. The DPW increase has two components. The first is the personnel for the proposed new 311 system which we hope will improve constituent services. The second piece is the new group of hires required for the Water & Sewer Departments in the event the City Council approves bringing these services in-house. As noted in a previous communication, the costs for these employees are one-time expenditures in FY20 only. Accordingly, they are proposed to be funded by an appropriation from Retained Water & Sewer Earnings and not from FY20 Water & Sewer Revenues. The new part-time position proposed for Elder Services is to help with the desk. Previously, this work was performed by volunteers, but these individuals are no longer capable of keeping pace with the workload. And finally, the increase to a full-time staff position in Licensing is due to the increased workload, particularly the significant increase in public hearings.

There are also three Departments where employees previously paid by non-appropriation funds are now on the payroll: Library; Recreation & Cultural Affairs; and Planning. With respect to the former two departments, the change is due to the fact that revenues in the respective Revolving Accounts are no longer sufficient to cover the payroll costs of these employees. With respect to the Planning Department, the change reflected in the Budgeted Salary Account is the continuation of a multi-year effort, required by our outside auditors and discussed at some length last year, to gradually move Planning Department salaries from the Redevelopment Account (off-budget) to the budgeted appropriation account. With this proposed budget, only four Planning Department employees will remain funded from the Redevelopment Account.

The FY20 Budget includes funds in Salary Reserve to cover the anticipated costs of ongoing union negotiations with our City Hall employees. With the exception of the Police and Fire union contracts, all municipal union contracts expire on June 30, 2019.

Similar to past years, the FY20 Budget relies upon a small amount of Free Cash. The modest request of \$695,718 is manageable given our strong reserves.

I will be available to answer any questions that the City Council has on the FY20 Budget at its upcoming subcommittee meetings.

Sincerely
Thomas G. Ambrosino
City Manager

Communications and petitions to the Council:

A copy of a communication was received from John DePriest, Director of Planning and Development, regarding revisions to two sets of amendments; Amendments to Section 34-109 Signs and Illuminations, and Amendments to eight separate sections of the Zoning Ordinance (Section 34-241; Section 34, 300; Section 34-27(f); Section 34-52; Section 34-78; Section 34-106, subsection (a), (d)(6), and (h)(1); Section 34-110(m); and the Table of Dimensional Regulations). A motion from Councilor Vidot to accept and file was adopted under suspension.

A copy of a communication was received from Public Employees Committee for Chelsea employees regarding a summary to consider during deliberations about whether to adopt Chapter 32B, Section 21-35. A motion from Councilor Vidot to accept and file was adopted under suspension.

A copy of a communication was received from Traffic and Parking Clerk Jeannette Cintron White, regarding the actions approved at the April 2, 2019 Traffic and Parking Commission meeting. A motion from Councilor Recupero to accept and file was adopted under suspension.

A copy of a communication was received from Ms. Barbara J. Flood regarding Retirees Health Insurance. A motion from Councilor Vidot to accept and file was adopted under suspension.

Unfinished Business:

Councilor Avellaneda requested that the Order for the Community Preservation Act be removed from the Table so that it could be acted upon. There were no objections and the matter was properly before the Council. A motion from Councilor Avellaneda to adopt by roll call passed 8-2-1-0. Voting yes were Councilors Garcia, Vidot, Avellaneda, Rodriguez, Lopez, Perlatonda, Tejada, and Robinson. Voting no were Councilors Bishop and Recupero. Absent was Councilor Brown.

City of Chelsea

ORDER 2019, 2018 and 2017

APPROPRIATE THE FY2019 COMMUNITY PRESERVATION COMMITTEE OPERATING BUDGET AND,

MOTION: That the Council act on the report of the Community Preservation Committee on the FY2019 Community Preservation budget and, pursuant to the recommendations of the Community Preservation Committee, take the following actions with regard to the FY2018 Community Preservation budget and the FY2017 Community Preservation budget, in accordance with MGL Chapter 44B, Section 6:

That the Council reserve for appropriation the following amounts from estimated **FY2019** receipts as recommended by the Community Preservation Committee:

1. \$79,713.00, 10% of estimated revenues for the acquisition, creation and preservation of open space;
2. \$79,713.00, 10% of estimated revenues for the acquisition, preservation, rehabilitation and restoration of historic resources;
3. \$79,713.00, 10% of estimated revenues for the acquisition, creation, preservation and support of community housing;
4. \$518,134.00, 65% of estimated revenues to the Budgeted Reserve.

And appropriate from FY2019 estimated revenues:

5. \$39,856.00, 5% of estimated revenues for CPC Administrative Expenses;

And further, that the Council reserve for appropriation the following amounts from estimated **FY2018** receipts as recommended by the Community Preservation Committee

1. \$70,628.00, 10% for the acquisition, creation and preservation of open space;
2. \$70,628.00, 10% for the acquisition, preservation, rehabilitation and restoration of historic resources;
3. \$70,628.00, 10% for the acquisition, creation, preservation and support of community housing; and
4. \$494,398.00, 70% to the Budgeted Reserve.

And further, that the Council reserve for appropriation the following amounts from estimated **FY2017** receipts as recommended by the Community Preservation Committee

1. \$50,000.00, 10% for the acquisition, creation and preservation of open space;
2. \$50,000.00, 10% for the acquisition, preservation, rehabilitation and restoration of historic resources;
3. \$50,000.00, 10% for the acquisition, creation, preservation and support of community housing; and
4. \$350,000.00, 70% to the Budgeted Reserve.

The following order was introduced by Councilors Recupero, Tejada, Lopez, and Vidot. A motion from Councilor Recupero was made to adopt under suspension. Councilor Avellaneda moved roll call. The roll call passed 7-3-1-0. Voting yes were Councilors Garcia, Vidot, Lopez, Perlatonda, Tejada, Bishop, and Recupero. Voting no were Councilors Avellaneda, Rodriguez, and Robinson. Councilor Brown was absent.

Ordered, that all street cleanings should be limited to the same amount of time in every street. There should be no exceptions.

The following orders were all introduced by Councilor Brown and referred to a second reading by Councilor Vidot, under suspension.

ORDERED, that the Chelsea City Council authorize the appropriation of funds in the amount of \$545,000.00 from Free Cash to the FY2019 Police Dept. Salaries Account #0121051-510200.

ORDERED: that the Chelsea City Council authorize the appropriation of funds in the amount of \$225,000.00 from Free Cash to the Bunker Hill Community College Scholarship Program Expense Account #7400-578080 to provide tuition funding for Chelsea High School graduates.

ORDERED, that the Chelsea City Council authorize the appropriation of funds in the amount of \$50,000.00 from Free Cash to the FY2019 Elder Affairs, Contract Services Expense Account #0154152-530600 for the Senior Transportation program.

ORDERED: that the Chelsea City Council authorize the appropriation of funds in the amount of \$410,328.00 from Free Cash to the O'Neil Playground PARC 22 Fund, Construction Account #55161899-584500.

ORDERED, that the Chelsea City Council authorize the appropriation of funds in the amount of \$82,000.00 from Free Cash to the FY2019 Buildings and Grounds, Maintenance Equipment Expense Account #0147052-524700.

ORDERED, that the Chelsea City Council authorize the appropriation of funds in the amount of \$100,000.00 from Free Cash to the FY2019 Planning and Development, Contract Services Expense Account #0117552-530600.

ORDERED, that the Chelsea City Council authorize the appropriation of funds in the amount of \$7,000.00 from Free Cash to the FY2019 Solid Waste, Public Works Programs Expense Account #0143052-570000.

ORDERED, the Chelsea City Council authorize the appropriation of funds in the amount of \$300,000.00 from Free Cash to the FY2019 Capital Projects Account Group #554019 series.

The Ordinance introduced by Councilor Vidot with regards to Revising Part II Chapter 34 of the Chelsea Code of Ordinances to Add Zoning Provisions to Section 34-109 Signs and Illuminations was referred to the Sub-Committee on Conference by Councilor Vidot under suspension.

The Ordinance introduced by Councilor Vidot with regards to Revising Part II Chapter 34 of the Chelsea Code of Ordinances to Add Zoning Provisions to Section 34-241: Section 34, 300; Section 34-106, subsection (a), (d)(6), and (h)(1); Section 34-110(m); and Table of Dimensional Regulations was referred to the Sub-Committee on Conference by Councilor Vidot under suspension.

The Ordinance introduced by Councilor Vidot with regards to Revising Part II Chapter 14 of the Chelsea Code of Ordinances to Add a New Section 14-91 on Outdoor Café and Dining Areas, was referred to the Sub-Committee on Conference by Councilor Vidot under suspension.

The Ordinance introduced by Councilor Vidot with regards to Revising Part II Chapter 34 of the Chelsea Code of Ordinances to Add Zoning Provisions on Short Term Rentals was referred to the Sub-Committee on Conference by Councilor Vidot under suspension.

The Ordinance introduced by Councilor Vidot with regards to Revising Part II Chapter 6 of the Chelsea Code of Ordinances to Add a New Section on Short Term Rentals was referred to the Sub-Committee on Conference by Councilor Vidot under suspension.

The following Order was introduced by Councilor Vidot with regards to accepting the provisions of Subsection (b) of Section 3D OF Chapter 64G of the Massachusetts General Laws and imposing upon an Operator of a Short-Term Rental an additional community impact fee of three percent (3%) of the total

amount of rent for each transfer of occupancy in a Short-Term rental Unit that is located within a two-family or three-family dwelling that includes the Operator's primary residence. Referred to Sub-Committee.

The Ordinance introduced by Councilor Robinson with regards to amending Section 34-156, Inclusionary Housing, of Chapter 34, Article VII of the Revised Code of Ordinances was referred to the Sub-Committee on Conference under suspension.

The Ordinance introduced by Councilor Vidot with regards to Adding a New Section 6-1, Regulation of Vacant Buildings of Chapter 6 to the Chelsea Code of Ordinances, was referred to the Sub-Committee on Conference by Councillor Bishop under suspension.

New Business:

The following order was introduced by Councilor Vidot. A motion from Councilor Bishop moved the order to the sub-committee on conference under suspension.

Ordered; that the City Council accept the provisions of M.G.L. c 32B, Section 20 to establish a Other Post-Employees Benefits Liability Trust Fund to meet the current and future liabilities of the City for group health insurance benefits for retirees and their dependents and to create a Declaration of Trust for such Fund with the Treasurer as the sole Trustee.

The following order was introduced by Councilor Vidot. A motion from Councilor Bishop moved the order to the sub-committee on conference under suspension.

Ordered, that pursuant to M.G.L. c. 32B, Section 20(d) the Chelsea City Council accepts and approves the City of Chelsea Other Post-Employment Benefits ("OPEB") Trust Agreement dated April 24, 2019 executed by the Treasurer.

The following order was introduced by Councilors Recupero and Avellaneda. A motion from Councilor Recupero to adopt under suspension was adopted.

Ordered, that the City Manager prepare a request for the City Council to establish a Chelsea homeowner soundproofing fund account that would receive 50% of all money from Massport as part of its mitigation payment to Chelsea.

The following order was introduced by Councilors Recupero and Avellaneda. A motion from Councilor Avellaneda to adopt under suspension was adopted.

Ordered, that the City Manager have the Department of Planning and Development prepare for approval by the City of Chelsea, a homeowner soundproofing program that would provide for funding for installing and soundproofing of windows and doors and a soundproofing room to homeowner occupied homes impacted by Logan Airport air traffic.

The following order was introduced by Councilor Bishop. A motion from Councilor Bishop to adopt under suspension was adopted.

Ordered, that the City Manager be requested to instruct DPW to consider adding the following streets for repaving this year: Lambert Ave. Wesley Street, and Hooton Way.

The following order was introduced by Councilor Bishop. A motion from Councilor Bishop to adopt and refer it to the Traffic and Parking was adopted under suspension.

Ordered, that the City Manager be requested to instruct DPW to replace missing "no left turn" sign on Adams Street at Garfield Ave., paint a right turn only arrow on Adams Street and install a removable barrier on Garfield Ave. to prevent left turn at that location.

The following order was introduced by Councilor Bishop. A motion from Councilor Bishop to adopt under suspension was adopted.

Ordered, that a Subcommittee on Conference be held with the City Manager to discuss available "Free Cash".

The following Loan Order was introduced by Councilor Brown Chairman of the Subcommittee on Finance. Councilor Bishop moved the Loan Order request to the Subcommittee on Conference under suspension.

City of Chelsea, Massachusetts
Fiscal Year 2020
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 attached hereto (the "Schedule"), and consisting of: Miscellaneous Grants (\$1,360,000) and Chapter 90 (\$596,000), for a total of \$1,956,000, 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 \$5,715,000 be and hereby is appropriated to pay the costs of various capital projects and equipment purchases, shown on the Schedule under the headings; General Obligation Bonds, (\$1,165,000); Sewer Fund Borrowing (\$4,550,000), 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 \$5,715,000 under and pursuant to Chapter 44, Sections 7 and 8, of the General Laws, as amended, Chapter 44A of the General Laws, as amended or pursuant to any other enabling authority and to issue bonds or notes of the City therefor; and

That the sum of \$2,300,000, be and hereby is appropriated to pay costs of water system improvements eligible for financial assistance through the Massachusetts Water Resource Authority's Local Water System Assistance Program (LWSAP), 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 \$2,300,000 under and pursuant to Chapter 44, Sections 7 and 8, of the

General Laws, as amended, Chapter 44A of the General Laws, as amended or pursuant to any other enabling authority and to issue bonds or notes of the City therefor; and

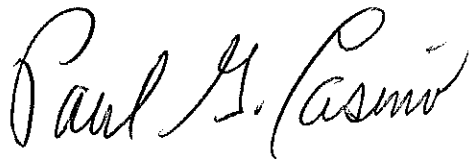
That the sum of \$4,690,459 be and hereby is appropriated from Free Cash to pay the costs of various capital projects purchases, shown on the Schedule under the heading, Free Cash; and

That the sum of \$3,175,000 be and hereby is appropriated from School Stabilization to pay the costs of three projects named as the MCB Roof and Envelope Repairs Project –Phase 2, Williams School Roof and Envelope Repairs Project and MCB School Playground Project shown on the Schedule under the heading, School Stabilization, with said funds for the school projects to be available upon approval of the Loan Order; and

ORDERED: That the Treasurer is authorized to file an application with the appropriate officials of The Commonwealth of Massachusetts (the “Commonwealth”) to qualify under Chapter 44A of the General Laws any and all bonds of the City authorized pursuant to this Order, and to provide such information and execute such documents as such officials of the Commonwealth may require in connection therewith. Any premium received upon the sale of any bonds or notes approved by this Loan Order, 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 Loan Order 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.

The meeting adjourned at 8:50 p.m.

Respectfully submitted,

A handwritten signature in black ink that reads "Paul G. Casino". The signature is written in a cursive, flowing style.

Paul G Casino
Clerk of the Chelsea City Council