

C/B

# SUSPENSION ACCEPTED AND FILED

Chelsea, Massachusetts April 8, 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, Avellaneda, Rodriguez, Brown, Perlatonda, Tejada, Robinson, Bishop and Recupero. Councilor Lopez was absent. Council President Vidot presided over the meeting. The meeting opened at 7:00 p.m.

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

### RESOLUTION

- WHEREAS,** In 1972, Robert Repucci started his work history at CAPIC, the Community Action Programs Inter-City, Inc., whose mission is to identify and address the needs, problems and concerns of those in poverty and to enable the individually poor to achieve and maintain self-sufficiency; and
- WHEREAS,** When Chelsea Memorial Hospital closed down, Robert Repucci took a leading role in health care, which resulted in Mass General Hospital coming to Chelsea; and
- WHEREAS,** Bob has helped CAPIC to grow and has provided much needed services, such as equal access to health care, housing and basic needs; and
- WHEREAS,** Bob oversees Head Start, the Chelsea/Revere Family and Community Network, Child Development Center, and After School Programs so that parents can remain gainfully employed or attend school or job trainings; and
- WHEREAS,** Bob oversees the low-income heating assistance program and the weatherization assistance program, which have provided benefits to 2,800 area households; and
- WHEREAS,** CAPIC's effective management of household income through the Representative Payee Program has become an integral part of Bob's overall strategy to help families maintain stability; and
- WHEREAS,** Bob and CAPIC are expected to play a vital role in the process of looking toward solutions to preserve housing, prevent illnesses, and remove barriers that keep people in poverty; now therefore, BE IT

**RESOLVED**, that on behalf of the Citizens of Chelsea, We, the Members of the Chelsea City Council wish to go on record to congratulate you, Robert Repucci, for your many years of devotion to so many people in need, and recognize your skills in making CAPIC the success that it is today.

**Public Speaking:**

The public speaking portion opened at 7:15 p.m. The following came forward to speak:

C.H.S. student, spoke of support needed in the upcoming School Budget.

C. H. S. student, spoke about the New Superintendent choice.

The public speaking closed at 7:22 p.m.

**The minutes of the City Council dated March 25, 2019 were approved at the request of Councilor Garcia under suspension.**

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

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

Re: *Municipal Electric Aggregation*

Dear Councilors:

I am writing to request that the City Council consider pursuing a plan for municipal electric aggregation. Let me explain what this means.

Most residential customers in Chelsea and in other communities buy electricity from the electric utility that services their community. In the case of Chelsea, that would be Eversource. The Eversource monthly bill includes two charges: the first is for the delivery of the electricity to the resident, which is actually the primary service that the utility provides; the second is the purchase of the actual electricity, which always comes from a third-party supplier. The local utility, in our case Eversource, contracts for electric supply every six months, and the cost of this supply is what is known as the “basic service” supply charge to the customer that appears on the monthly bill. In Massachusetts, all residents have the right to avoid this “basic service” charge from the local utility and instead buy their electricity from a competitive electricity supplier, but the reality is that most residents don’t do this and instead simply remain with the supply company contracted by the utility. Thus, each month, they pay the “basic service” fee.

In a municipal aggregation program, the municipality takes the initiative to contract with an electricity supplier on behalf of all of its residents and businesses who have remained with the “basic

service.” Typically, because it is representing thousands of residents, the municipality is able to use this collective bargaining power to negotiate more stable and often lower prices for electricity for its residents. Equally importantly, the municipality can often increase the proportion of renewable energy in their electricity supply, thereby achieving green energy benefits. Even after the municipal aggregation plan is in place, residents still have their electricity delivered and billed by their electric utility, and they continue to receive just one electric bill from the utility, but where municipal aggregation is in place, that bill includes a supply charge negotiated by the municipality.

Because municipal electric aggregation has the potential of providing more stable and lower prices and utilizing more renewable energy sources, over 140 municipalities in Massachusetts have taken advantage of this program. Even Boston is currently in the process of adopting a municipal aggregation plan.

If the City of Chelsea wishes to proceed down this path of municipal electric aggregation, the City Council must first authorize, by majority vote, the development of an aggregation plan. Chelsea will then create a plan for how aggregation will work, typically with the help of the Department of Energy Resources. Once the plan is finalized, a second vote is required by the City Council to authorize submission of the aggregation plan to the Department of Public Utilities (“DPU”). If DPU approves the plan, then the municipality begins the competitive process of selecting a supplier for all of its residents and businesses still on “basic service.” Anyone that currently receives “basic service” electricity supply will automatically be switched to the new supplier once chosen by the City following the receipt of competitive bids. However, residents must be offered the chance to “opt out” before the program starts, and equally importantly, residents are able to “opt out” anytime during the program without any financial penalty. Those who “opt out” can choose their own supplier or go back to Eversource’s “basic service” charge.

At this point, rather than request a vote to begin the process, I am asking that the City Council schedule a subcommittee meeting so that we can further discuss the pros and cons of municipal electricity aggregation. At that meeting, I will attempt to bring in some experts who can talk intelligently about the program. Following that meeting, the Council can decide if it wishes to proceed with aggregation.

Sincerely,  
Thomas G. Ambrosino  
City Manager

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

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

Re: *Towing Contract*

Dear Councilors:

In response to the recent City Council Order requesting that the City seek competitive bids for the Chelsea towing work, the City will put a towing contract out to bid for work starting in Fiscal Year 2020. Please note that towing work is expressly exempt from the Massachusetts bidding laws. Nonetheless, we will seek bids in compliance with M.G.L. c. 30B.

There is some work required to prepare an RFP and evaluate responses. For this reason, the Purchasing Agent believes he will have a new contract for towing services in place no later than September 1, 2019.

Sincerely,  
Thomas G. Ambrosino  
City Manager

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

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

Re: *Updates on Master Plan and Salvation Army*

Dear Councilors:

I am writing in response to the recent City Council Orders requesting updates on the effort to proceed with a Master Plan and the effort to redevelop the Salvation Army site on Broadway.

With respect to the Master Plan, the City has included the necessary funding to proceed with such a plan in the FY20 Capital Improvement Plan. The requested amount is \$450,000, to be paid from Free Cash.

Please keep in mind that Master Plans are governed by statute and must meet rigorous legal requirements. Development of a Master Plan requires a significant investment of time and resources that we do not have in-house. However, there are many consultants in the Commonwealth who have expertise in crafting such a Master Plan. Assuming the City Council approves the requested CIP appropriation, we will prepare an RFP to secure such services. The \$450,000 request reflects our best estimate as to the cost of this work.

As for the Salvation Army, the Planning Department is currently working on a draft Request for Proposals to develop the site in a manner that creates some housing density above the required ground floor commercial/governmental/non-profit use. As is true of any development in the Broadway Corridor, expansion of the existing building will require zoning relief. The City is contemplating seeking such zoning relief in advance of advertising the RFP in order to make the site

“development-ready” and thus more attractive to the development community. However, we would only do that with the consent and support of the City Council.

Once the draft RFP is ready for circulation and comment, I will forward to the City Council and request a subcommittee meeting so that we can discuss the most appropriate path forward, including the possibility of seeking advance zoning relief. I expect the RFP to be ready sometime in May.

Sincerely,  
Thomas G. Ambrosino  
City Manager

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

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

Re: *Integration of Water & Sewer Services Within Chelsea DPW*

Dear Councilors:

As you know, the City has been seriously considering, for the past year, the absorption within our DPW of Water, Sewer & Drainage services currently outsourced to R.H. White Construction Co., Inc. (“RH White”), a private entity. After considerable thought and analysis, the City wishes to move forward with this effort, commencing on or about July 1, 2020. If this effort is approved by the City Council, we will notify RH White in accordance with the terms of the existing 10 year contract. This will be an early termination of the agreement, which otherwise will not expire until July 21, 2022.

The DPW has spent considerable time analyzing the costs of integrating this work. A comprehensive spreadsheet showing such costs is attached. As you can see, even with a robust new workforce that should be able to accomplish more tasks than those currently being provided by RH White, the City expects savings in excess of \$350,000 annually. The only potential cost item not identified on this spreadsheet is an early termination fee. However, the contract expressly requires that any such sum be mutually agreed between the parties, and the City is fairly confident that it will be able to negotiate an acceptable resolution to this issue that does not materially impact the identified savings.

The DPW leadership and I recommend that we meet in subcommittee to go over this spreadsheet and work plan in detail. This will allow the Council to understand fully why we believe we can perform these services not only cheaper, but at a higher quality, and with more resources, than we currently achieve with the RH White annual contract.

Although this transition will become effective on July 1, 2020 (the start of FY21), there are some upfront costs that will be necessary to ensure the transition is smooth. This includes not only capital purchases of new vehicles and equipment, but also some early hiring in FY20 that will not be covered, at least in the first year, by the savings from the eliminated RH White contract. Specifically, the City needs to acquire in advance of FY21 approximately \$1,234,000 in vehicles and equipment to perform the required water, sewer and drainage work. In addition, seven (7) individuals will need to be hired during the course of FY20 to ensure that we are adequately prepared to take full control of the system on July 1, 2020. The cost of this personnel is estimated at \$317,200. The total FY20 additional costs are \$1,551,200.00.

The capital costs are obvious one-time expenditures. But, the added personnel costs in FY20 are also one-time expenses. All of these personnel costs will be covered by the \$1.784 million saved on the annual RH White contract starting in FY21 when that contract is terminated. These are only extra costs in FY20 because, in that year only, we remain under contract to RH White.

Because all of these costs in FY20, capital and personnel, are one-time expenses, I am recommending that they be paid from Retained Earnings, the equivalent of Free Cash in the Water & Sewer Enterprise System. We have more than adequate funds in Retained Earnings to cover these costs in FY20. The total requested will be \$1,551,200, split evenly between Water Retained Earnings and Sewer Retained Earnings. As you will see from the attached spreadsheet, this initial investment will be repaid in savings by Year 5 of the new program.

We look forward to meeting with you in Subcommittee to discuss these matters in greater detail. If the City Council agrees to move forward with this effort, I will prepare the required Financial Orders for the one-time FY20 expenses.

Sincerely,  
Thomas G. Ambrosino  
City Manager

**Communications and petitions to the Council:**

A copy of a communication was received from City Solicitor Cheryl Watson Fisher and Assistant City Clerk Patricia Lewis regarding the Vacancy of District 3 School Committee Member. A motion from Councilor Avellaneda to accept and file was adopted under suspension.

A copy of a communication was received from Planner and Land Use Administrator Lad Dell regarding Proposed Zoning Amendments to Chapter 34, Article VII Section 34-156. Inclusionary Housing of the City of Chelsea Zoning Ordinance. A motion from Councilor Robinson moved to accept and file was adopted under suspension.

A copy of a communication was received from Planner Use Administrator Lad Dell regarding Proposed Zoning Amendments to properly regulate the new short term rental industry. A motion from Councilor Robinson to accept and file was adopted under suspension.

A copy of a communication was received from Planner and Land Use Administrator Lad Dell regarding Proposed Zoning Amendments to properly regulate improvements to business districts, including but not limited to outdoor cafes, signage, and façade improvements. A motion from Councilor Brown to accept and file was adopted under suspension.

**Unfinished Business:**

Under Unfinished Business the order introduced by Councilor Recupero with regards to another Animal Control Officer was withdrawn at the request of Councilor Recupero.

**Second Reading:**

The following order was introduced by Councilor Brown. Councilor Brown moved roll call. Councilor Bishop moved to sub-committee on conference. Councilor Avellaneda moved to table.

**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.

**New Business:**

The following order was introduced by Councilor Perlatonda. Councilor Perlatonda referred it to the Traffic and Parking was adopted under suspension.

Request, that the Traffic and Parking Commission start overtime parking meters throughout the City

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

Request, that the Traffic and Parking Commission start giving out a \$100.00 fine for anyone parking on City sidewalks.

The meeting adjourned at 8:00 p.m.

Respectfully submitted,



Paul G. Casino  
Clerk of the Chelsea City Council