



STATE OF THE CITY REPORT

FY 2016

*Presented by City Manager Tom Ambrosino to the Chelsea City Council
and the Residents of Chelsea.*

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CITY MANAGER'S STATEMENT

Dear Reader:

The year 2015 was an important one for me and the City of Chelsea. It was big for me because in July of last year, I became the City's third City Manager. It was big for Chelsea because it continued its upward trend: attracting new development, including ground breaking on a new hotel and approval of redevelopment of the old Chelsea Clock site; major investment in public safety and neighborhood conditions; and continued improvement to the Chelsea Public Schools, including commencement of construction on the \$57 million New Clark Avenue Middle School.

In November of last year I reported to the City Council, and to the public, on my first 100 days as City Manager. In that report, I identified my top three priorities as Economic Development, the Chelsea Public School System, and Neighborhood & Quality of Life issues. In this State of the City document, I will update progress in those areas and provide information on other municipal initiatives.

As you read this report, you will find successes of which we are proud and challenges which we are determined to tackle. As we work to build upon our successes, we do so supported by an energetic and highly capable City Council and an engaged network of community champions. It is my privilege to serve at their sides.

As new City Manager, I thank you for the warm welcome I have received since coming on board. I make just two promises. My door will always be open to your concerns. And, although I may not tell you what you want to hear, I *will* always address your questions and issues.

Whether you have lived your whole life in Chelsea or are a newcomer seeking sanctuary from a troubled land—whatever the circumstances that brought you to Chelsea -- my goal is to carry out a singular duty: to make your lives better; to support an environment where you feel safe and fulfilled; and to create a community that you feel proud to call home.

Sincerely,

Tom Ambrosino
City Manager

Financial

Over the last 20 years, Chelsea has been blessed with extraordinary leadership. That leadership has been most effective and successful in creating financial strength for the City. That strength is obvious in the following financial essentials:

- As of February of 2016, Standard & Poor's ratings service re-affirmed its AA/Stable rating for the City of Chelsea.

RatingsDirect®

STANDARD & POOR'S
RATINGS SERVICES
McGraw Hill Financial

Summary:

Chelsea, Massachusetts; General Obligation; Non-School State Programs

Primary Credit Analyst:

Anthony Polanco, Boston 617-530-8234; anthony.polanco@standardandpoors.com

Secondary Contact:

Christina Marin, Boston 617-530-8312; christina.marin@standardandpoors.com

Ratings Detail (As Of February 19, 2016)

Chelsea GO (ASSURED GTY)		
Unenhanced Rating	AA(SPUR)/Stable	Affirmed
Chelsea GO (Non School Prog)		
Long Term Rating	AA/Stable	Affirmed
Underlying Rating for Credit Program	AA/Stable	Affirmed
Chelsea GO		
Unenhanced Rating	AA(SPUR)/Stable	Affirmed

- The City's Fund Balances remain extremely strong.

City of Chelsea: Fund Balance Analysis FY 2011-2015

		2011	2012	2013	2014	2015
1	Real Estate Taxes	\$35,997,749	\$37,851,061	\$40,349,818	\$43,530,062	\$44,656,911
2	Excise taxes	\$7,111,447	\$7,161,510	\$9,340,599	\$10,305,470	\$10,643,290
3	Intergovernmental	\$71,411,606	\$68,472,887	\$72,272,302	\$79,444,589	\$75,170,895
4	Total Revenues	\$123,489,358	\$122,349,520	\$132,145,907	\$145,059,020	\$141,923,158
5	Assigned Fund Balance	\$2,385,892	\$3,049,473	\$3,741,435	\$5,884,258	\$3,330,311
6	Unassigned Fund Balance	\$24,345,161	\$24,079,453	\$26,894,097	\$33,680,292	\$34,395,684
7	Total Available	\$26,731,053	\$27,128,926	\$30,635,532	\$39,564,550	\$37,725,995
8	Total Expenditures	\$139,722,298	\$119,510,362	\$126,593,996	\$134,777,459	\$138,911,521
9	Transfers Out	\$2,318,066	\$2,968,293	\$3,555,063	\$3,324,779	\$6,475,902
10	Total Outlay	\$142,040,364	\$122,478,655	\$130,149,059	\$138,102,238	\$145,387,423
11	Target Balance (15% of 10)	\$21,306,055	\$18,371,798	\$19,522,359	\$20,715,336	\$21,808,113

- The City continues to raise significant new revenues without reliance upon the property tax.

	<u>Motor Vehicle Excise</u>	<u>Room Tax</u>	<u>Meals Tax</u>	<u>Building Permits</u>
FY13	\$8.87m	\$498k	\$373.3k	\$1.58m
FY14	\$10.02m	\$678.7k	\$430k	\$1.39m
FY15	\$12.61m	\$815.4k	\$352.4k	\$2.61m

- And, Residential Property values continue a steady upswing.

Average Single Family Home Values:

FY14 = \$204,000

FY15 = \$232,000

FY16 = \$270,000

Of course, rising property values have a downside. For some of our residents, large property value increases have also meant significant tax increases. To help mitigate these increases, the City has embarked on recent and very aggressive efforts to improve upon the availability of tax exemptions, particularly for our seniors.

- Doubling the value of all exemptions starting in FY17.
- Increasing the Clause 17D exemption amount annually by the rate of inflation.
- Increasing the value of the Clause 41C exemption to \$1,000 and reducing the age requirement to 65.

The City will also consider increasing the 20% Residential Exemption to 35%, but that will require Special Legislation and approval by the State Legislature.

Economic Development

Economic development is the lynchpin to the City's financial success. Given the constraints imposed by Proposition 2½, municipalities in Massachusetts can only survive and thrive by constantly generating new revenues through continuous economic growth.



At eight stories and more than 250,000 square feet, the new regional headquarters for the FBI will be one of Chelsea's largest office buildings.



The new Homewood Suites Hotel on Beech Street begins to take shape, with Phase II of One North of Boston in the background.

transportation network that is about to take a substantial leap forward with the opening of the Silver Line.

Future Developments include:

- Re-development of the former Chelsea Clock site on Everett Avenue, with 692 units of high-end residential units replacing an abandoned building and acres of junk yards.
- A new, fully-permitted hotel at Mill Creek on the Revere line.
- Redevelopment of the former French Club into a 34-unit building of affordable housing.
- Anticipated development of the Forbes site into a mixed use project.

In Chelsea, that economic growth has been truly remarkable.

- The One North development, now about to commence leasing of Phase II, is 400+ units of high-end market rate apartments. The new tenants in the second phase are expected to occupy the building in April, and interest is strong.
- The New England Regional FBI headquarters will be ready for occupancy this Fall. The 400-500 Federal employees that will soon occupy this new workspace in Chelsea will drive demand for more restaurants and other services.

- Construction of the Homewood Suites Hotel on Beech Street is now underway adjacent to the Marriot Residence Inn and the Wyndham, creating a true hotel district for the City.

These developments are a gold standard for a community of Chelsea's size.

Interest in Chelsea from the development community is unlikely to wane given the City's proximity to Boston, its proximity to Logan Airport, and its comprehensive



Street view rendering of former Chelsea Clock site which is to become Chelsea Lofts.

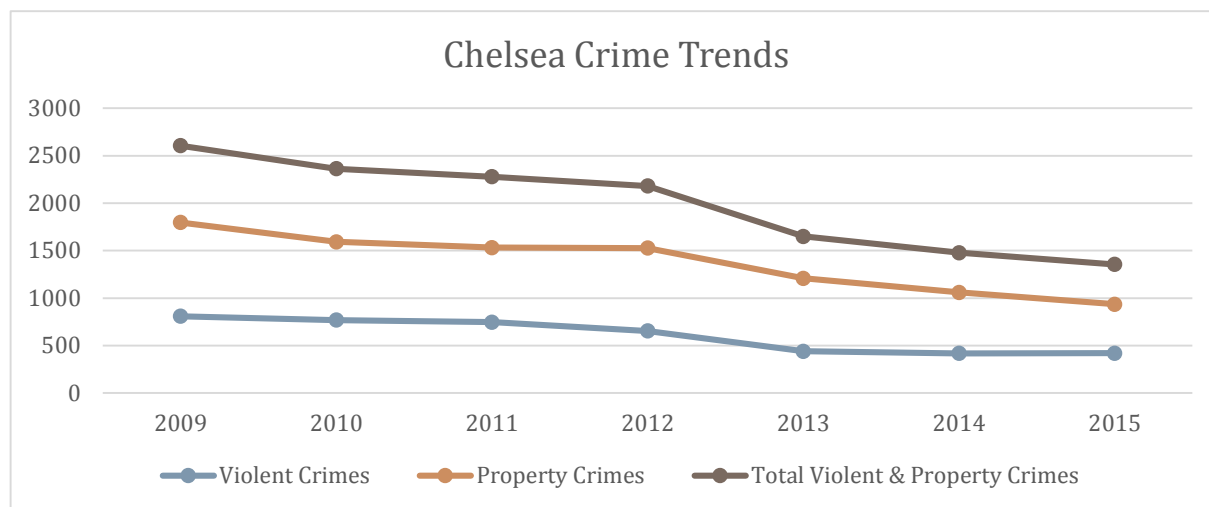


The Neighborhood Developers' proposed 34 units of affordable housing on the former French Club site.

The challenge for the City, in this transition, is no longer *attracting* development—the interest is almost overwhelming. The challenge is making sure that development happens in a way that benefits Chelsea residents.

Public Safety

Ensuring public safety in Chelsea is a top priority for City officials. Two years ago, the City Council approved a 10 Point Plan for public safety that included, among other components, a commitment to walking patrols and increased personnel. The City Council's FY16 Budget for the Police Department included funding for 111 Police Officers, and that contingent will be maintained for the foreseeable future. This increased public safety commitment has yielded some success. Overall, crime rates were down in Calendar Year 2015 from the previous year by 8.3%.



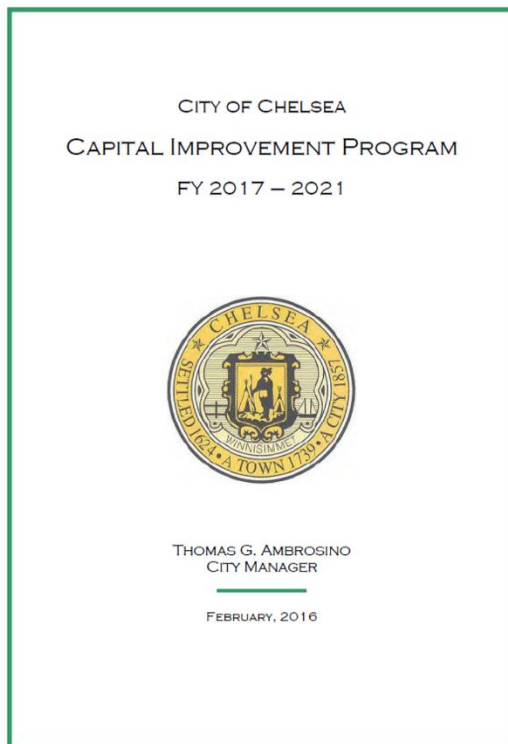
Data source: [Chelsea Police Department](#)

However, like many cities throughout the region, Chelsea is significantly impacted by the opioid crisis. Knowing that we cannot arrest our way out of a drug crisis, the City has recently devoted substantial financial resources to providing necessary services to those suffering from this addiction. Four efforts in particular are noteworthy:

- A \$125,000 annual contract with North Suffolk Mental Health for two street outreach workers (known as Navigators) to provide services, particularly in the Bellingham Square and Broadway Corridor area;
- A \$115,000 contract with CAPIC for emergency food and housing for persons in need identified by the Navigators; and
- An \$85,000 contract with BayCove for clinical services and detox beds for those in the throes of substance abuse.
- Police and Fire agreed to carry Narcan in each cruiser and fire vehicle.

We are hopeful that these services, fully implemented as of January 1, 2016, will begin to make a difference in the problem.

Infrastructure



One of my major goals as City Manager is to improve upon the physical condition of the city—streets and sidewalks, parks and trees, sewer and water system upgrades, and new streetlights. This includes my desire to embark on a major upgrade of the Bellingham Square and Broadway Corridor area.

The groundwork for this major investment in infrastructure has been laid with my presentation to the City Council of the Capital Improvement Plan for FY17-FY21. The plan sets forth in detail my proposals for investment over the course of the next five years. It is available for review on the City's [website](#). The Plan includes more than \$27 million in capital improvements in the next two years alone.

Some of the proposed infrastructure work in this Plan will become very visible in Calendar Year 2016.

Major roadwork will include:

- Completion of the roadwork funded by the City Council last Fall, including Williams from Chestnut to Pearl and lower Broadway.
- The MassWorks 4 project, which includes the work on Blossom, Bryson, Maple, and Heard will be completed with final roadway paving this Spring.
- Roadway work on Garfield Avenue, Locke Street, Lynn Street Extension, and Suffolk Street is being proposed in the FY17 Capital Improvement Plan, and some of that work will start this season.
- Everett Avenue from the railroad tracks to Carter Street will be completed. Design work will also begin on the final section of Everett Avenue from Carter Street to Route 16, although construction of that area will not occur until FY18 at the earliest.



Workers replace water & sewer lines at the intersection of Everett Avenue & Carter Street.

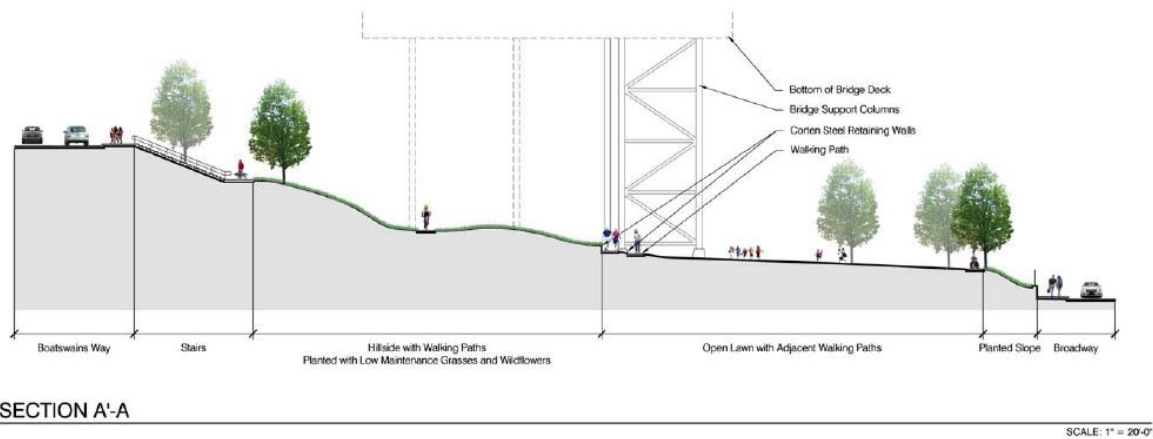
There are also significant parkland improvements scheduled:

- The Highland Hill Greenway will be underway. This project includes the renovation of Bellingham Hill Park, a new park at 97 Library Street, and the planting of trees along

Highland Street. The result will be a green and aesthetically pleasing pedestrian experience from Bellingham Hill to the new Box District Station on the Silver Line.

- Improvements to Kaboom Park at Spruce & Heard Streets. The work will entail removing the wood chips and installing a rubberized play surface; new fencing, walls, and gates; and additional and relocated play equipment.
- Commencement of construction on a new park under the Tobin Bridge on lower Broadway at Commandants Way. This Mystic River Overlook Park was recently approved for funding by the Commonwealth and will include walking paths, a fitness area, historic interpretation, landscaping and lighting features.

Renderings for Mystic River Overlook Park to be located on lower Broadway:



Schools

A good school system is what attracts and maintains good families in a community. So, investment in the public school system must always be a major focus of municipal government.

Despite very challenging demographics, including a large influx of Central American immigrants, at times with little education from their native countries, the Chelsea Public School system continues to make great strides in academic achievement.

- Three consecutive years with at least one student attending Harvard.
- 75% of high school graduates accepted to a two- or four-year college or choosing to enter the military.
- Robust Dual Enrollment program with Bunker Hill Community College
- More than 15 Advanced Placement courses at Chelsea High School. Named 2013 Advanced Placement College board's Small School district of the Year.

With academic success sustained during the school day, the focus of the City's collaboration with the School Department over the course of the next few years will be investments in programs for students outside of the traditional school day, in afterschool and out-of-school time initiatives, including:

- Expanding the Citizen Schools program, which exists now in some middle school grades, to all middle school grades no later than FY19.
- Expanding afterschool and out-of-school time programming in the elementary schools. As part of that initiative, the City is seeking Council approval for a Summer Program for at-risk elementary students. And, with some help from the City, the Superintendent will be launching a pilot afterschool program in the Mary C. Burke Elementary Complex for the 2016-2017 school year.
- And, finally, a major expansion of the City's own Community Schools programming in an effort to augment educational and recreational opportunities not only within our school buildings but throughout the entire community.

Finally, this year we celebrate the commencement of construction on the City's first new school building since 1996. With a budget of more than \$57 million, the New Clark Avenue Middle School will be a modern, high tech learning center, opening for students in the Winter of 2017.



Rendering of New Clark Avenue Middle School

General Government

Every community is challenged by the goal of increasing “citizen engagement.” People’s lives are busy, and involvement in municipal affairs is not always practical or convenient. But, we are committed to increasing the quantity and quality of civic participation.

There is some good news to report. November’s elections produced record voting rates in some districts of the City. And, the racial composition of Chelsea’s City Council more accurately reflects the racial mix of the city itself for the first time. Chelsea made statewide and national news because of it.

On the topic of development in the city, controversial projects began to bring out more people to Planning Board and Zoning Board meetings. While longer-term residents, both English-speaking and Spanish-speaking, are *beginning* to become more engaged in the governmental process, we still desire more input from more people in Chelsea.

At the City Council inauguration in January, I said I believed that we are not just looking at new names in our City’s government, but a “renewed optimism about what city government can accomplish for its residents.” Chelsea has new opportunities to shine, to connect, to engage, to collaborate, and to show what we can accomplish.

I inherited more than a few vacancies on the City’s Boards & Commissions when I took office. I have been busy interviewing and recommending suitable candidates for appointment to those boards and commissions by the City Council. There are more to come, especially as I work to reconstitute dormant entities such as the Affordable Housing Trust Fund Board. Though I had called for resumes and applications before the end of the last calendar year, if you want to be engaged with city government and serve on a board or commission, you may still send me your information.

Within our local halls of government, we are trying to improve the customer experience. I’ve picked up the mantle from my predecessor and am now sending periodic “Chelsea Happenings” emails relating to important City activities, as well as events in the community. If you wish to receive such emails, just send me a note at citymanager@chelseama.gov. In addition, we recently created an official [City of Chelsea Facebook](#) page to disseminate information on a more day-to-day basis. That has also been a portal for the public to communicate with us. Also, we’ve rolled out a new emergency notification system, [Chelsea Resident Alert](#), to communicate very important information to residents via land phone, cell phone, text, and/or email. You can choose which types of messages you want to receive from us, and how you want them communicated to you. To sign up, visit our website. We continue to receive your issues submitted on SeeClickFix, which you can access anytime, day or night, via the SeeClickFix [site](#), on our [website](#) or [Facebook](#) page, or

Accomplishments:

- ⇒ Migrated “Inside Scoop” newsletter to “Chelsea Happenings” and added new followers
- ⇒ Debuted an official Facebook page for the City which already has 400+ followers
- ⇒ Will implement new Emergency Notification System and City website
- ⇒ Held public meetings on the potential impact of Silver Line associated development

Goals

- ⇒ Expand social media use.
- ⇒ Improve SeeClickFix response time.
- ⇒ Expand opportunities for community input

from the SeeClickFix [app](#) for your cell phone. Finally, later this Spring, the City will be unveiling a new City website with what we hope will be improved functionality and easier navigation.

Here are your elected City officials.



The 2016 City Council: Back row, L-R: Paul Casino, Council Clerk; Yamir Rodriguez, District 7 & Representative to School Committee; Tom Ambrosino, City Manager; Matt Frank, District 3; Roy Avellaneda, Councilor-at-Large; Enio Lopez, District 4; Luis Tejada, District 2; Paul Murphy, District 1; Giovanni Recupero, District 6. Middle row: Ledia Koco, Administrative Assistant; Judith Garcia, District 5; Seated: Leo Robinson, Councilor-at-Large; Dan Cortell, District 8 & President; Damali Vidot, Councilor-at-Large & Vice-President



The 2016 School Committee: Standing, L-R: Richard Maronski, District 3; Robert Pereira, District 5; Yessenia Alfaro-Alvarez, District 8; Ana Hernandez, District 6; Diana Maldonado, District 4; Shawn O'Regan, At-Large; Katherine Cabral, Student Representative; Superintendent Mary Bourque. Seated: Rosemarie Carlisle, District 1 & Delegate to the City Council; Jeanette Velez, District 2 & Chairperson. Not pictured: Kelly Garcia, District 7.

Contact Information

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