



**CITY OF SOMERVILLE, MASSACHUSETTS
CLERK OF COMMITTEES**

November 30, 2010

REPORT OF THE FINANCE COMMITTEE

Attendee Name	Title	Status	Arrived
Maryann M. Heuston	Chair	Present	
William A. White Jr.	Vice Chair	Present	
Bruce M. Desmond	Alderman At Large	Present	
John M Connolly	Alderman At Large	Present	
Rebekah L. Gewirtz	Ward Six Alderman	Present	
William M. Roche	Ward One Alderman	Present	
Thomas F. Taylor	Ward Three Alderman	Present	
Sean T. O'Donovan	Ward Five Alderman	Present	
Walter F. Pero	Ward Four Alderman	Present	
Dennis M. Sullivan	Alderman At Large	Present	
Robert C. Trane	Ward Seven Alderman	Present	
Monica Lamboy	OSPCD	Present	
Robert May	OSPCD	Present	
Steve Azar	OSPCD	Present	
Doug Willardson	Finance	Present	
Ed Bean	Finance	Present	
Tony Pierantozzi	Supt. of Schools	Present	
Marc Levye	Chief Assessor	Present	
Wig Zamore		Present	
Stephen Mackey	Chamber of Commerce	Present	
Gerald Boyle	Project Manager	Present	
Don Briggs	Federal Realty	Present	
Joseph Curtatone	Mayor	Present	
Anne Thomas	OSPCD	Present	

190288 - Requesting an appropriation of \$300,000 from Receipts Reserved for Appropriation-Insurance Losses (Fund 3204) to DPW Flood Costs (Fund 5059) to pay for expenses related to the July 10, 2010, flood.:

Mr. Willardson informed the members that the funds would be given to the contractor. Alderman White asked that the item be kept in committee until the committee is provided with copies of the invoices, the scope of the work performed and an explanation of the bidding process.

RESULT:	KEPT IN COMMITTEE
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Next: 12/31/2010 12:00 AM

190234 - Requesting approval to pay 3 prior year invoices totalling \$1,390.48 in the Personnel Dept.:

RESULT:	APPROVED
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190360 - Requesting approval to create an Assembly Row DIF Development District and an Assembly Row DIF Development Program pursuant to M.G.L. C. 40Q and 402 CMR 3.00 Et Seq.:

The committee reviewed the responses submitted by OSPCD to questions asked at the November 22, 2010 meeting and discussed the risks involved with this item. Ms. Lamboy reviewed a provided handout and explained that because IKEA is not ready to build at this time, all parties are trying to reallocate their resources. The committee is being asked to approve authorization for the city to submit an application to create a DIF. Ms. Lamboy explained that the item before the committee lays out the proposed revenue and payment plan. Mr. Briggs explained the process of modifying the I-Cubed economic development proposal, noting that FRIT is responsible for reimbursing the state. Mr. Briggs stated that interest on bond anticipation notes is low and that FRIT must begin construction before the city incurs debt. The improvements are expected to generate more revenue than the debt. If FRIT doesn't finish the improvements, all money spent by the city would be returned. The city has to agree to issue bonds before FRIT can begin construction of the infrastructure. The risk to the city is in adequately predicting the projected tax revenue. Members considered the ramifications of the debt that would be incurred by the city and Mayor Curtatone spoke about the financing gap and stated that revenues from 3 lots would pay off the bond, pointing out that the bond is part of the plan but that the city is not bound to bonding. Ms. Thomas informed the members that the city would be purchasing 3 infrastructure items at a cost of \$25 million and that the state's commitment to the Orange Line stop at Assembly Square is contingent on the city spending \$25 million. Additionally, if the Board of Aldermen does not approve this item, there would not be an \$18 million advance from the state from I-Cubed.

Alderman White requested a detailed analysis be provided when the item is voted on.

Chairman Heuston asked for an independent analysis of possible scenarios.

Alderman O'Donovan asked for reassurance from the Administration that the city's risk is low.

Alderman O'Donovan's motion to approve item 190360, was approved on a roll call vote of 9 in favor, 1 against and 1 recused.

RESULT:	APPROVED BY ROLL CALL [9 TO 1]
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MOVER:	Sean T. O'Donovan, Ward Five Alderman
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AYES:	Heuston, White Jr., Desmond, Connolly, Roche, Taylor, O'Donovan, Pero, Sullivan
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NAYS:	Rebekah L. Gewirtz
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EXCUSED:	Robert C. Trane
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190483 - Requesting an appropriation of \$33,185,258 and authorization to borrow up to \$33,185,258 in a bond for the cost of rehabilitation and renovation of the East Somerville Community School.:

Mr. Boyle discussed the appropriation request and the reasons why the full amount was being sought and also spoke about the design, bid and building processes involved in restoring the school. Mr. Boyle expects that the project should go no later than January of 2013. At the request of the committee, Mr. Boyle will email the standard contract language to members of the Board of Aldermen. Mr. Bean, responding to queries from the committee, will have the City's bond counsel provide a written explanation to the members before the next meeting of the Board of Aldermen.

Alderman Roche's motion to approve the item pending receipt of the letter from the MSBA prior to the next meeting of the Board of Aldermen, was approved on a vote of 10 in favor, none against and one recused.

RESULT:	APPROVED WITH CONDITIONS BY RO [UNANIMOUS]
MOVER:	William M. Roche, Ward One Alderman
AYES:	Heuston, White Jr., Desmond, Connolly, Gewirtz, Roche, Taylor, O'Donovan, Pero, Sullivan
EXCUSED:	Robert C. Trane