



CITY OF SOMERVILLE, MASSACHUSETTS  
CLERK OF COMMITTEES

May 3, 2021  
REPORT OF THE FINANCE COMMITTEE

Attendee Name	Title	Status	Arrived
Jefferson Thomas ("J.T.") Scott	Chair	Present	
Katjana Ballantyne	Vice Chair	Present	
William A. White Jr.	City Councilor At Large	Present	
Mary Jo Rossetti	City Councilor at Large	Present	
Wilfred N. Mbah	City Councilor at Large	Present	

Others present: Khushbu Webber-Mayor's Office, Ed Bean-Auditor/Finance, Eileen McGettigan-Law office, George Proakis-OSPCD, Alan Inacio-OSPCD, Brad Rawson-OSPCD, Charlie Breen-Fire Department and Barry Abramson from Abramson and Associates, Inc.

**Approval of the April 20, 2021 Minutes**

The minutes were accepted on a unanimous roll call vote of 5 in favor, none opposed and none absent.

<b>RESULT:</b>	<b>ACCEPTED</b>
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**Appropriations**

**211731: Requesting the appropriation of \$2,718,676.20 from the Receipts Reserved-Sale of Real Estate Account to Debt Service, to pay principal and interest due on land acquisition bond anticipation notes for Union Square DIF properties.**

Mr. Bean stated this is not required or discretionary appropriation, retirement of debt, relating to eminent domain taking in Union Square. Back in Sept 2019, the councilor approved to finance the emanate domain 2 property in the D block area. The bonded participation notes to finance the settlement costs and are due June 4<sup>th</sup>, which needs to paid off. The proceeds for the D2 block in Union Square are in hand and will be used to pay down anything any debt associated with the city.

Chair Scott recused himself from this item and Vice Chair Ballantyne chaired the meeting for this one item.

As required by state law and IRS regulations, the proceeds from the sale can only be used to finance any properties achieved by bond issues. The total proceeds from D2 assets total \$18,669,818. This is the first debt service coming before the committee since the sale of D2.

The city will use \$2,718,676.20 to pay off principal and interest and will remove from the debt of the city.

Mr. Bean stated the city is setting aside the amount of money required to pay down the debt service \$9,013,030 to pay off other asset of debt service. The city is working with their financial Advisor First Southwest on this request. He also stated that \$11,770,448 will be put aside for fees to pay off debt which will leave another \$7M and can only be used for capital projects which could be used for the high school.

Councilor Mbah asked for charts or slides to review and Mr. Bean stated debt service will be put together by the financial advisor. He also stated that these numbers are just estimates right now. Mr. Bean stated the city borrowed long term 2015, 2016, 2017 in a bond to pay eminent domain costs.

Councilor White asked about making principal and interest on the bond. Mr. Bean stated that the money will go into an escrow account and will be off our books and this does not have to be recorded as a debt on the city's books. Councilor White also asked if this money will cover all the eminent domain takings in the past. Mr. Bean responded this will cover everything.

<b>RESULT:</b>	<b>APPROVED. [4 TO 0]</b>
<b>AYES:</b>	Ballantyne, White Jr., Rossetti, Mbah
<b>RECUSED:</b>	Scott

**211733: Requesting the appropriation of \$200,000 from the Capital Stabilization Fund in order to implement interim traffic and pedestrian safety improvements at Powderhouse Circle.**

Mr. Rawson stated this item is coming out of discussion with traffic and parking.

Councilor Rossetti questioned if there would be any impact on the Doherty funeral home and if that area will lose any parking spaces. Mr. Rawson stated the design will not have any reduction of spaces on Powderhouse Circle to reserve the curbside parking. Councilor Rossetti asked if the staff have spoken to Doherty Funeral Home. Mr. Rawson stated they are working on outreach materials right now as their next step.

Chair Scott asked Mr. Bean what is the current balance in the stabilization fund and Mr. Bean responded that \$3,357,443 is left in the fund.

<b>RESULT:</b>	<b>APPROVED. [UNANIMOUS]</b>
<b>AYES:</b>	Scott, Ballantyne, White Jr., Rossetti, Mbah

**Fire Department Items**

**211723: That the Chief Fire Engineer discuss the current apparatus maintenance status with this Council.**

Councilor Rossetti asked Chief Breen about a poster she saw that concerned her about the number apparatus out for repairs. She asked how many apparatuses are out of the station.

Chief Breen stated its unusual right now that company Engine 1 is down for major repair. He stated they keep reserve engines in the fleet at all times. The repairs should be complete by the end of May. Engine 3 is scheduled to be replaced the end of this week and may go into service tomorrow. A week ago, engine 7 broke a spring and Chief Breen reached out to Boston to lend the city a Boston pump which they had until Tuesday afternoon. He also stated that Ladder 2 had damage to their aerial and it was sent repairs to Wisconsin. Another ladder truck had some suspension repairs and had to borrow a Boston ladder truck for the week. The average age of the frontline apparatus is 7 ½ years old.

Councilor Rossetti asked if the apparatuses are checked routinely. Chief Breen stated they have yearly inspection and certifications on the ladder and pumps. Councilor Rossetti asked about the contract issue and the delay. Chief Breen stated that purchasing and legal had numerous issues with the contract for the repairs of the ladder 2 apparatus.

Councilor White asked Chief Breen about capital expenses and apparatus replacement schedule that goes back many years and lays out the dates to replace the apparatus. The requested information will be passed on to the next mayor.

**RESULT:**

**WORK COMPLETED**

**211748: Requesting to discuss with this Council siting a Fire Station in the Assembly Square neighborhood.**

Mr. Galligani stated he has started to a conversation about the growth in this area and the potential for the next 10 years. Chief Breen talked about the needs to serve the neighborhood. Chair Scott stated to the committee that this is just a preliminary discussion.

Chief Breen stated this has been talked about for many years about the need for a fire station in Assembly Row. He stated that the call volume from 2010-2020 have tripled and there is a bit of delay in response time getting there due to the traffic. There's a lot of growth in Assembly Row, and future in Brick Bottom and Boynton Yards. There was a study completed in 2016 that suggested that an additional company would be needed due to a potential increase in call volume.

Mr. Galligani stated he is evaluating a proposal evaluating at this time, looking for opportunities to buy or lease property in the Assembly Row area. He stated land prices have gone up fast. A potential branch fire station in the area could cost \$7,000,000-\$15,000,000. Mr. Galligani had a conversation with former owners of the Assembly site and had plans approved by planning board. He also had an RFP issued RFP but only received one response from Biomed Realty with a proposal to lease for 30 years on 10,000 sq ft space right on Middlesex Ave for \$866,000 a year with an increase 2% each year. Mr. Galligani stated he believes he can negotiate down the price to \$500,000-\$550,000 a year.

Councilor Mbah asked if the proposal is on the first floor of the parking garage next door to the lab building that they are planning to build next year. Mr. Galligani shared a drawing of the proposed location for the branch fire station.

Councilor White asked if any thoughts have been made for the new public safety building and if that would help with response times. Chief Breen stated that Engine 2 is already a very busy fire station and this idea would help elevate the stress from this station. Councilor White asked what type of calls have been made to the Assembly area. Chief Breen stated the majority of the calls

have been medical or fire alarm activations. Councilor White asked for an analysis of how many people or units are living in Assembly and the additional permits for residents for the near future along with the biotech labs people who will be working there. Councilor White also asked about the high rise if the current apparatus can reach the high rise. Chief Breen stated that generally an apparatus cannot reach that high and fires are fought from within the building using pressurized water. Firefighters use their hoses and connect to the pipe's waterway.

Councilor Ballantyne asked for data on the frequency of the calls by types. Additionally, she asked how do our firefighters get trained now for tall buildings. Chief Breen stated intensive training is done in house with the layout of the building and walkthroughs, such as the training that was done at Clarendon Hill. Chief Breen also stated that training is done before the building comes on board. Councilor Ballantyne also asked if the city would be responsible for the build out of the space. Mr. Galligani stated the new branch would require additional staff over and above what the city has right now.

Chair Scott asked about the set up the location and Mr. Galligani stated it would be a two base station but one fire company. Mr. Galligani had looked at a location in Boston that maybe similar with a high-rise developer.

Ms. McGettigan gave an update on the case for 90 Washington and the city won the case. She stated that The Redevelopment Authority has the right according to the demonstration plan and this is a model for others in the state. They are now on to the damage action phase as to how much should have been paid for the 90 Washington Street site.

**RESULT:**

**WORK COMPLETED**

### Armory Taking

#### **211686: Requesting the adoption of an Order of Taking for 191 Highland Avenue for municipal historic and arts purposes.**

Mr. Proakis stated this taking will allow the city to continue to have a cultural arts center. He asked Mr. Abramson to join the committee who has done work for the city previously and have been working on this for about six days.

Mr. Abramson provide some slides which included other arts centers which gave him good frame of reference. The community arts center is traditionally operated on a shoe string budget and understaffed. The city would need to increase the staff costs to a level that is sustainable, ramp up the contributions from donations/sponsorships/public/grants that would be attainable for the arts center. He suggested a net operating income of \$100,000 without rent. Mr. Abramson also stated the current owner has been successfully renting out the space. Overall, there could be a net income of \$200,000.

Councilor Rossetti asked about the abutter's question at the last meeting to soundproof the property. Mr. Proakis said that most of the work is completed. The other question asked by the abutter at the last meeting was about having a liquor license as a city. Mr. Proakis stated the operator would be responsible for the liquor license.

<b>RESULT:</b>	<b>APPROVED. [UNANIMOUS]</b>
<b>AYES:</b>	Scott, Ballantyne, White Jr., Rossetti, Mbah

**211687: Requesting an appropriation and authorization to borrow \$5,000,575 in a bond for the cost of acquiring the Armory Building at 191 Highland Avenue.**

See 211686

<b>RESULT:</b>	<b>APPROVED. [UNANIMOUS]</b>
<b>AYES:</b>	Scott, Ballantyne, White Jr., Rossetti, Mbah

### **Aldersey Taking**

**211364: Requesting the adoption of an Order of Taking for 9-11 Aldersey Street for historic, open space, and affordable housing purposes.**

Chair Scott gave a brief update on this item from the last meeting. At the last meeting, there was some legal questions and this has been under litigation since 2004. For the purposes of open space and historic preservation the city would seek to convey the central building to a non-profit partner or potentially a land trust.

Mr. Proakis stated there's some good possibilities if the city owns the lot with affordable housing.

Councilor White asked some financial questions of what will be the annual cost be for the property and what would be the anticipated value of the property and tax revenue. Mr. Proakis was not able to get this information and will follow up with Councilor White. Additionally, Mr. Proakis stated he would need to get some information from parks and recreation to understand the cost to add a park for a ½ acre property. Councilor White also asked for the principle and interest payments to the bond. Councilor White asked for the appraiser's appraisal for the property and the current market value.

Chair Scott stated he needs a larger plan in place for this taking.

Councilor Mbah also shared his concerns with the taking of this property.

Councilor White asked about the annual principle. Mr. Bean stated the annual principle and interest would be \$231,921 per year for a 20-year term. In total \$4,638,418 over the 20-year period and the city could borrow at 3%.

Councilor White stated he still has not received an answer to his question on what the tax revenue would be for this property.

Councilor Rossetti stated she may have a difficult time approving this request because of the many projects on the capital projects list, which includes the public safety building and the potential of the new branch fire house in assembly.

Councilor Mbah stated he's not a fan of eminent domain.

Councilor Ballantyne stated she is leaning against taking this property for all the legal issues and looking at the capital investment projects on the city's list.

Chair Scott stated he cannot justify this request and with the additional legal challenges that may come with this property.

Councilor White stated he would prefer to leave this item on the agenda until he gets the information on tax revenue.

Mr. Proakis stated he will get the information to Councilor White next week.

Councilor White motioned to go into Executive Session to discuss the appraisal and evaluation arising out of the appraisal. Ms. McGettigan stated for MGL Chapter 31A there are two reasons to go into Executive Session which are to discuss the appraisal and evaluation of property and to discuss litigation strategy. Councilor Rossetti moved to amend the motion to add litigation strategy. Roll call vote was done to accept the amendment to the motion to add litigation strategy. Then there was a roll call vote to enter into Executive Session. The vote was unanimous.

The committee returned from Executive Session. No votes were taken during the Executive Session. This item was kept in committee.

<b>RESULT:</b>	<b>KEPT IN COMMITTEE</b>
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**211373: Requesting an appropriation and authorization to borrow \$3,450,397 in a bond for the cost of acquiring the property at 9-11 Aldersey Street.**

<b>RESULT:</b>	<b>KEPT IN COMMITTEE</b>
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**Referenced Material:**

- Abramson Armory Analysis 5-3-21 REV (with 211686, 211687)