



Committee on Finance

March 20, 2017 – 7:04 PM – **Minutes**
Chambers of the City Council, Room 214

MEETING: COMMITTEE ON FINANCE
DATE: MARCH 20, 2017
TIME: 7:04 P.M.
PLACE: CITY COUNCIL CHAMBER, ROOM 214, MUNICIPAL BUILDING

PRESENT: COUNCILLORS LINDA MORAD, CHAIRPERSON; JAMES OLIVEIRA, VICE CHAIRMAN; IAN ABREU; NAOMI CARNEY; DEBORA COELHO; BRIAN GOMES (7:05); JOSEPH LOPES; STEVEN MARTINS; DANA REBEIRO (7:14); KERRY WINTERSON

ABSENT: NO ONE

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Councillor Morad called the Finance Committee Meeting to order and took attendance, everyone was present.

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Notice, City Clerk of reference of a Related Motion, Councillor Morad, that the Committee on Finance request the DPI Commissioner Zeb Arruda to appear before the Committee on the construction project on Coggeshall Street, Belleville Avenue, North Front Street and Acushnet Avenue progress to date along with the costs associated with the project, obstacles and overruns (Ref'd 7/27/16) was received and placed on file by Councillor Martins and seconded by Councillor Winterson. (1)

Zeb Arruda, DPI Commissioner was present to address the Committee. He gave an overview of the project. He told the Committee that the underground portion of the project is complete. It was finished early and under budget by approximately \$940,000. It was a three year project completed within two years. All of Coggeshall Street, from Purchase to Mitchell Streets has new sidewalks; curb lines have been widened out slightly, new lighting and trees are in place, making the neighborhood look better.

The second phase involves Mass DOT; they will be taking care of the surface work in the area. They have a three year time line but DPI will work with them to accelerate the project if possible.

The Committee asked that DPI openly communicate with the businesses in the area on how they may be affected. They asked that a meeting take place between the city and said businesses to avoid the miscommunications that took place at the onset of the project.

The plan is to have Manny Silva, the Deputy DPI Commissioner be the contact between the city and the DOT. Once they meet with the DOT and have a firm understanding of their timeline they will schedule a meeting with the businesses in the area.

The Commissioner would like to apply the remaining \$940,000 to another project they are working on.

On motion by Councillor Lopes and seconded by Councillor Abreu, the Committee VOTED: To take "No Further Action" on this matter at this time. This motion passed on a voice vote.

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Notice, City Clerk of reference of a COMMUNICATION, Mayor Mitchell, to City Council, submitting amended LOAN ORDER appropriating \$21,608,000 for the purpose of financing the construction of the West End Sewer Separation Project – Phase 4, West End Sewer Separation Project – Phase 5, Deane Street Sewer Separation Project,

Coggeshall Street Sewer Separation Project, Union Street Sewer Separation Project and general system improvements, and the planning costs related to the development of the CSO Long-Term Control Plan Update (Ref'd 2/23/17) was received and placed on file by Councillor Coelho and seconded by Councillor Winterson. (2, 2a)

Zeb Arruda, DPI Commissioner was present to address the Committee and he gave an overview of the project and why the need to amend the Loan Order. He told the Committee that the \$940,000 saved on the Coggeshall project previously discussed would be used to add onto additional works that are currently being planned for the area. The city recently received a 2.5 million dollar grant that will allow the work to be done, but with the addition of the \$940,000, more work needed in that area would be able to be addressed.

The additional money will allow the city to separate the water lines directing the water which needs to go to the treatment plant to do so and that water which can lead directly out to the harbor will do so. Currently, the way it is set up all of the water ends up in the harbor. The excess funds will be added to the Union Street area.

The Committee expressed its concerns that the \$940,000 was not to be applied to projects that have not yet been finished, but adding onto just a small portion of the city are located in the Downtown area. The Commissioner explained that because they were going to be working this area because of the grant received, it was better to use the additional money to enhance the project.

The Committee asked what would happen if there was a savings on the project and all of the money allocated was not spent, where would that savings go? The Commissioner said if there was an eventual savings he would look to apply it to another project.

The DPI reached out to the local businesses that may be affected by the project. On 12/19/16 and 2/1/17 meetings were held and attended by approximately 50 people, including Councillor Rebeiro. Due to the imposition this has caused the city has offered to place fire sprinkler piping from the street to the businesses property lines. Currently, the buildings do not have separate water lines that should be dedicated to fire prevention. This will allow the business owners at their own discretion, should they decide to tap into the piping to do so.

Councillors were concerned that projects like Deane Street were not yet completed but that the funding was going to be applied to a 12-block area of downtown, and they would like to see projects like the West End and Deane Street ones finished.

Councillor Gomes made mention of his request to place cameras in the area part of the construction. The Commissioner said he would look into this and discuss it with the Chief of Police.

On motion by Councillor Lopes and seconded by Councillor Gomes, the Committee VOTED: To recommend to the City Council APPROVAL of the amended LOAN ORDER appropriating \$21,608,000 for the purpose of financing the construction of the West End Sewer Separation Project – Phase 4, West End Sewer Separation Project – Phase 5, Deane Street Sewer Separation Project, Coggeshall Street Sewer Separation Project, Union Street Sewer Separation Project and general system improvements, and the planning costs related to the development of the CSO Long-Term Control Plan Update. This motion passed on a Roll Call Vote of Yeas 9, Nays 1, with Councillor Morad opposed.

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Items 3, 3a and 4, 4a were taken up together they are as follows:

Notice, City Clerk of reference of a COMMUNICATION, Mayor Mitchell, to City Council, submitting AN ORDER for the TRANSFER of \$1,008,667.00 from WATER, FREE CASH, to WATER STABILIZATION FUND (Ref'd 2/23/17) was received and placed on file by Councillor Abreu and seconded by Councillor Coelho. (3, a)

Notice, City Clerk of reference of a COMMUNICATION, Mayor Mitchell, to City Council, submitting AN ORDER for the TRANSFER of \$1,000,000.00 from WATER FREE CASH, to WATER, OTHER CHARGES (Ref'd 2/23/17) was received and placed on file by Councillor Abreu and seconded by Councillor Coelho. (4, 4a)

Zeb Arruda, DPI Commissioner was present to address the Committee and answer questions. He told the Committee that the transfer requested will be used to repair non working water mains and upgrade a portion of the wastewater system.

The Committee expressed their concern that the figures asked for leave a \$500,000 short fall in the costs needed to fully complete the project. Commission Arruda explained that he hopes to come in under budget, but the Committee felt that would be taking a financial chance. They would rather not have to visit the free cash fund to cover the costs at a later point in time. The Commissioner feels he can do the project with the proposed transfers and would like the opportunity to do so.

Councillor Lopes expressed his concern that he does not want the city to have to depend upon Mass Works Grants that would be granted in the future. He also does not want the Commissioner coming back and asking to increase water rates to cover the shortfall in three years.

Councillor Morad expressed her concern that the money is going to be used to upgrade a system in a small area of the city and thought should be given to finishing up existing jobs in neighborhoods as well as improving other neighborhoods that have not yet been considered.

Councillor Oliveira asked the Commissioner to provide the Committee with a written explanation on how projects and neighborhoods are chosen.

Ari Sky, CFO explained that funding is sought out by applying for yearly grants, and these grants are written and submitted by the Planning Department.

On motion by Councillor Oliveira and seconded by Councillor Abreu, the Committee VOTED: To recommend to the City Council APPROVAL of AN ORDER for the TRANSFER of \$1,008,667.00 from WATER, FREE CASH, to WATER STABILIZATION FUND. This motion passed on a Roll Call Vote of Yeas 10, Nays 0. (3,3a)

On motion by Councillor Lopes and seconded by Councillor Oliveira, the Committee VOTED: To recommend to the City Council APPROVAL of AN ORDER for the TRANSFER of \$1,000,000.00 from WATER FREE CASH, to WATER, OTHER CHARGES. This motion passed on a Roll Call Vote of Yeas 9, Nays 1, with Councillor Morad opposed. (4,4a)

Councillor Martins made a motion to adjourn, which was seconded by Councillor Carney.

This meeting adjourned @ 7:48 p.m.

ATTEST:

Denis Lawrence, Jr.,
Clerk of Committees