

FINANCE CONTROL BOARD, August 11, 2006

Present: Chairman Alan LeBovidge, Mayor Charles Ryan, Tom Gloster, City Council President Jose Tosado, Jake Jacobson, City Clerk Wayman Lee

Chairman Alan LeBovidge: ..[T]he first thing, I guess, is to approve the minutes of our June 27 meeting.

****MOTION APPROVED UNANIMOUSLY.**

AL: Phil, I'll turn the meeting over to you. I know we have a lot of items that you have listed here, so let's go through them. It's a beautiful day outside—let's see how fast we can get to the beautiful day outside.

Executive Director Phil Puccia: OK, thank you. Several items on the agenda, some of which will be updates and final approvals. I'd like to begin with a presentation by John Ryan of J. F. Ryan Associates related to the payments in lieu of taxes. As you know, the board recently approved a municipal services agreement with Baystate Medical. This is along those lines for discussion and I'll give you a presentation right now. Mr. Ryan?

John Ryan: Thank you. Do you want me to stand up or sit?

PP: No, please, sit.

Payments in Lieu of Taxes (PILOT)

JR: As a teacher, I'm used to standing up. Good morning members of the board. I have a little presentation for you this morning, a study that we did for the board on what we call "PILOT" programs, "PILOT" standing for "payment in lieu of taxes."

We're engaged by the board over a year ago now to investigate some tax policy options regarding local property tax revenue generation and Before we talk about the program, the PILOT program in general...when you talk about property tax policy options, there's two general ways to deal with the distribution of a property tax burden: One, you can shift the tax burden among the existing tax players. In other words, where you're just moving the...taking...it's the same pie, but you're just moving it around, each paying. There's no additional dollars to help fund the amount that ought to be raised from local property taxes, and so if you look at...here in the Commonwealth of Massachusetts, we have a property tax classification scheme whereby cities and towns have the option of shifting the burden between the commercial industrial and the residential classes. And that's what happens here in Springfield. You have a different tax rate for commercial industrial property as opposed to residential, so again, it's the same pot of pie, pot of money, it's just how you're going to distribute it.

The other option is, is to enhance revenue sources that otherwise must be funded by the property taxes. This is increasing the pie, so to speak. Again, not taking...not

shifting the internal money around is just who's paying what, but to actually find additional revenues. So an example of that would be exemption programs like the veterans exemption program, elderly exemption programs, that, that are financed in large part by the Commonwealth. These are exemption programs that are adopted at the local level and, again, funded in part by the Commonwealth, so that's *additional* revenue that can be used to supplement property tax revenue.

So we talk about PILOT programs. What does PILOT stand for? "Payment in Lieu of Taxes," is all "PILOT" stands for. And what are Payment in Lieu of Taxes? Well, typically, it provides a mechanism to raise funds from users and beneficiaries of local services that typically are funded by the property tax. And, this additional funding does not impact the existing amount that needs to be raised from property taxes. So, in other words, it does not impact any local property tax levy limitations that a city may be faced with. So, here in Springfield, for example, you have a local levy limit amount to be raised it can't exceed x...a certain amount of money. A PILOT program is a way to identify beneficiaries of services that are typically provided via the property tax but because of typically tax exempt status, these beneficiaries don't have to incur any property taxes.

So, where are they used? They're used all over the country, throughout the United States, and in many cases, it's predominant in jurisdictions with high value or large portions of the real estate tax base where there's tax exempt properties. They've been around for a long time. Here in Massachusetts, there's a number of communities that have PILOT programs, three of which are identified here [on a screen]. Boston and Cambridge are really the two big ones that have been doing it for years.

So, Springfield, what's some of the options you might want to look at? Well, Springfield has the characteristics of a city where there's a high proportion of tax exempt parcels. That, that's where you're going to see...typically see PILOT programs come into being. In fact, in terms of the state, Springfield has the sixth highest proportion of tax exempt property in all 351 cities and towns throughout the Commonwealth. So the...this little...our chart here [on the screen] is probably the most illustrative one where you can see where Springfield ranges among their cohorts around the state in terms of larger cities, urban environments where there's a, where there's a significant chunk of tax exempt property. So you can see Cambridge actually has the highest portion not surprisingly given the extent of colleges and universities in that city. Boston is also pretty high as well, but you notice, compared to the other three, you know, Springfield is right up there. So proportionately very similar to the other large jurisdictions in the Commonwealth that use some form of a PILOT type program.

What are the steps for implementing a PILOT program? Well, first of all, you need...our recommendation is to identify a lead municipal department or office that would take charge of...for basically initiating contact and to develop a PILOT program. There are various models used throughout the nation, and here again, even within Massachusetts, there are various models. In our report to the board, in the appendix, we have a detailed outline of what the city of Boston uses. But, again, every jurisdiction, due

to the intricacies and differences within those jurisdictions adopt different models. We just included Boston's as one example. The report goes into a little more detail about what the differences are among the major Massachusetts communities that use PILOT programs. So, typically, it's going to be the Mayor's office, the finance department or the assessment [sic] department or some combination thereof that will put together a game plan for implementing a PILOT program or some type of PILOT program.

Now, one of the first things...and we did some initial work here and that is to assemble data that you would need to begin to identify who the likely players would be in a PILOT type program. Here in the city of Springfield, right now, you have over \$1.5billion of locally assessed real estate that's exempt from taxation. That, that's obviously a large, large amount of property value here in the city that presumably enjoys the services provided by city agencies that are funded by the property tax.

Mayor Charles V. Ryan: Is there any part of that figure that is City of Springfield property as opposed to those belonging to the federal government or somebody else?

JR: Yes...they're...in the report I have the detail...there's a detailed outline of that, but if you'd anticipate the question here, Two-thirds of the exempt property is owned by entities other than the city.

CVR: OK

JR: This is not necessarily a value allocation. The report details what that is. This is really a...more of a...of all the property in the city, not necessarily of the value allocation.

Tom Gloster: Does that include the Commonwealth of Massachusetts properties?

JR: That does not include the Commonwealth of Massachusetts. Again, in the report, there's a...I didn't include it in the overhead [visual aid], there's a chart which shows a percentage-wise federal, state, local, colleges and universities, medical facilities. Again I didn't include that in the overhead.

I guess, one thing before I go any further: it's important to probably...it *is* important to recognize that the assessed value of exempt property in any jurisdiction is a[n] estimate. The locally assessed property tax is based on, obviously, taxable property, so that amount of effort and energy that goes into appraising property, obviously is commensurate with the revenue that it's going to yield, so I'm not saying that \$1.5billion is necessarily right, wrong or indifferent. All I suggest to you is that it may not be as...you don't want to be as confident in that number as you might be in the assessed value of taxable property. And why? Because it again the city in any city, not just Springfield is not going to expend a tremendous amount of resources appraising property where there's no beneficial tax yield coming from it, so, again, that, that's an estimate that you should recognize that that is an estimate, and the likely true market value of exempt property is in cities is tends at least in our experience—and our company does a

lot of appraisal work throughout New England—exempt property value estimates tend to be a little on the low side.

City Councilor Jose Tosado: Mr. Ryan, I'm assuming that Springfield has a number of human service, social service agencies which are all non-profit and own properties for halfway houses, group homes, whatever, primarily state-funded through a number of different departments within the Executive Office of Human Services, so I would assume that in giving the sheer volume of those that that's not really a substantial amount or even something that can factor in in terms of a PILOT program.

JR: That, that's something that would be part of assembling the data. We just looked at the aggregate data, and, obviously, it was easy for us based on the city-provided information to get some gross estimates by major class, but to answer your question directly, they would probably be a significant amount of market value in those various human service-type properties spread throughout the city, because, again, that, that property class tends to have a lot of residential use, for example, and there is value there. But to the extent that the city is not yielding, not deriving any revenue from that, the amount of appraisal that've left that goes into valuing those properties tends not to be as significant as what would go into the taxable...

JT: I would think not. And even within the city-owned properties, you've probably only talking about things like school buildings and fire and police stations and what have you which is probably won't be included I imagine as well.

JR: City-owned property, typically, is not included in any...

AL: That's not in your number anyway, right? The \$1.5billion, does that include...that doesn't include city-owned property.

JR: I believe that *does* include it city property. I think...I believe it does include city property, yes. I believe it does include city property.

Jake Jacobson: If you look, the chart on page 9 and 10 gives a whole breakdown of [unintelligible] by building.

JR: OK? And again, I think as you said, the detail breakdown is in the report. Uh, Direct Service Costs: Generally, in PILOT programs, cities should track service costs, service costs being the related city services that are funded by property taxes that service these beneficiaries of public services. We mentioned public safety services, also to track inspection, permitting, related activities that takes place with exempt properties. Recommend that you research tax-exempt institutions, identify the ability to pay, and obviously, as you said, city-owned property, that's not going to be a likely target for this type of the program, meet with institutions, highlight the benefits of participation in the program such as this.

And then, again, I'm going to wrap up by just briefly talking about the recent agreement that was made with Baystate Medical System. This is not formally a PILOT program. It's like a PILOT, but basically it's a program where there's a voluntary annual contribution made by Baystate...well, will be made by Baystate Medical System. It commences in 2007, the base is \$500,000 per year, it's a five-year agreement, and with an annual increase to 2.5% per year for fiscal 2008 and thereafter.

So, with that, concludes my formal remarks. If there's any questions or comments, I'd be happy to....

JT: So a PILOT program is not something that's voluntary, I mean, as opposed to the Baystate initiative. A PILOT program is once the city the municipality establishes the program, it's something that's required in terms of a...

JR: Typically, PILOT programs are voluntary, because you're not going to...You need to recognize that these are not these organizations are, by statute, exempt from property taxation, so that's why we suggest that the model that works other places may not be the model that works in Springfield. There's a variety of models out there as we discuss in our report, but these are *voluntary* payments, voluntary, they're Payments in Lieu of Property Taxes, and unless there's enabling legislation or a statute that would change that, PILOT programs here in the Commonwealth, and in most places around the nation, are voluntary in nature.

PP: I think, Councilor, one of the things we're trying to do with this presentation is really to...there's been discussion in sort of broad terms about payments in lieu of taxes— Baystate Medical, colleges, and so forth—but I think what we're trying to do here was to sort of illuminate the facts: Who's doing it, where is it, what's the relationship to the city budget for the assessed property values and the like, so the discussion, as uncomfortable as it is for some people can advance in a more logical and coherent fashion, and now I think we have some additional data points for the real the Mayor and I and the board to really sort of advance that discussion with the largest of the institutions.

Tom Gloster: I have a couple questions. Are these programs, PILOT programs, are they on the increase nationally, is this something that's becoming much more common do you ...?

JR: Well, our research indicated nationwide they are becoming more common. There's a major problem in local revenue generation across the nation with the proliferation of exemption programs, not just for charitable organizations, but for other perceived-to-be-public agencies or entities that provide a public good. So, in...particularly in jurisdictions that have significant exempt property, there are more and more PILOT programs [unintelligible]. And most of these PILOT programs, if you look at...again Boston's is a great example, Cambridge as well. The amount of money raised in lieu of taxation doesn't come anywhere near close to what they would be liable for if they were assessed as taxable property.

AL: Any other questions? OK. Thank you very much.

Red Light Camera Ordinance

PP: Mr. Chairman, members of the board, I'd like to present Steve Lisauskas to bring you up to date on a subject the board has discussed on a couple of different times which is a red light camera system, and these are the particulars of how that would be implemented.

Steve Lisauskas: Thank you Mr. Chairman, members of the board. Steve Lisauskas, for the record, deputy director of the Springfield Finance Control Board, here to present the red light camera ordinance with city solicitor Edward Pikula for any legal questions.

Just by way of background, a couple interesting notes, Massachusetts was actually the first state in the union to use automated enforcement (it was actually speed enforcement) back in 1910. And, as the Department of Public Works just informed me yesterday, 15 years ago we piloted red light camera enforcement here in Springfield at the intersection of Sumner and Allen Street, and in one cay had 200 violations at that intersection, so the board is obviously well familiar with the need, and those just further go to underscore the board's position on this.

The ordinance before you this afternoon, uh, this morning, excuse me, establishes authorization to install red light violation cameras in the city of Springfield. The system itself would be administered by the police department, both in terms of the technology, but more specifically in terms of the process: the approvals, the rejections of that...the determination of that which is a violation and that which is not in cooperation with the Department of Public Works and, in this instance, a contractor for whom the city is currently conducting a procurement.

The ordinance would make the running of a red light (said colloquially) a violation of an *ordinance*, not Chapter 90. It's not a violation of a state law specifically; it's a violation of an *ordinance* that would carry with it a fine of \$50. The...as I mentioned, the violation would be civil, not criminal. It is not intended to impact points on anyone's license. It's not intended to have any of the ramifications that a speeding ticket would have or being pulled over by a police officer for any number of motor vehicle violations. It's not intended to have that nature of a ramification. It is a violation of an ordinance just as many other ordinances exist that can be violated. There's an appeal process stipulated in the ordinance; people will have 30 days to either pay the red-light-running fee or to file for an appeal. You can appeal in person or you can submit forms in writing if you choose not to appeal in person or can't make it for some reason, you can submit affidavits saying that indicate that "It wasn't me; I was actually somewhere else." You can submit written information so you don't actually have to appeal in person, trying to make it easier for people, less of an onerous process.

AL: Excuse me, Who would you appeal to?

SL: There is...the ordinance...[to Ed Pikula] Do you have that?

City Solicitor Ed Pikula: Sure. Very briefly, the appeal will be in-house at the police department as it's contemplated now. Essentially, a ticket would not be issued unless and until an officer had reviewed the tape or photograph. And the way we're contemplating this is that the camera will take some digital video, process it through the vendor, the vendor will then send to us video for us to review. And an officer in reviewing that will say, "Yes, this is a[n] appropriate case, and I authorize a citation (or we're calling it 'a notice of liability') to be issued" or not (let's say it's a funeral procession or whatever they might determine). That will, the computer will then generate, as we anticipate, a notice of liability which will be mailed to the *registered owner*. That would just be the only other thing I'd like to say is this would not be the *operator* that would have the first liability, it would be the *registered owner* and the exception being if it was stolen and the person reported it stolen. Or if it's from a leasing company, and in that situation, the ordinance provides that the leasing company needs to provide us with the information of who the person it was leased to and then makes *them* responsible, and then we would notify them and the process would take that for....

If there was an issue, someone in the police department would review it. We would have...it sets up a hearing process if the person wants to. It's very similar to the way parking tickets work. If somebody wants to submit something in writing, as he said with the statements, the affidavits, the photographs, the whatever. And the photographs will be available on line to the violator, so the person can actually go on line and they'll be able to *look* at the...

AL: ...watch himself in action.

EP: Yes, and so in addition the locations will be known, and the police department will post the locations of the camera, and it's also anticipated those locations would change as the needs changed.

AL: So mobile cameras.

EP: Yes. These are situations where we have a problem, as Steve mentioned, Sumner and Allen. OK, we've got them there. The data from around the country shows as the longer the camera's there, the problem decreases, there's less need for it, we can move it to another location, and then.... But we don't hide the locations from the public; we let them know where they are. And the whole thing is to reduce the number of accidents and improve safety on the roads.

TG: How do you monitor it?

JT: When will the cameras be in operation? Is it 24 hours thing or...?

EP: Yes.

SL: The procurement...and I can talk about the process if the members would like, but the...it would be a 24 hour operation. There are various forms of encryption to make sure the data is not impacted...no one has is allowed...no one is able to change the license plate number or any of that stuff so, it is in operation 24 hours a day, seven days a week, 365 days a year, so it is something that is always operational and, as Mr. Pikula indicated, the idea is to reduce accidents and, you know, at 3:00am although the traffic is low, you could have the potential for the accident.

AL: Tom?

TG: How do you monitor this? I'm not very much of a techie, but, you've got 24 hours of something, but how you get to the 200 violations that you found in the prior thing? How does that get done?

SL: Well...

TG: Is it expensive, in other words?

SL: The way the camera system is set up is.... There are different systems you can do. If you pull up to an intersection, sometimes you'll see a little box cut out of the pavement. It's a loop detector. Sometimes its for traffic, sometimes for this camera that...it's a computerized system that knows when the traffic light is red, so either using a loop detector in the ground or a laser system....

TG: You just catch the violators basically.

SL: All you catch is the violators. Just look at violator, violator, violator.

AL: Someone doesn't have to sit there watching thousands of cars going through on the green light.

SL: That's correct.

EP: And then the computer will screen those out, send them to the police department, the police department will review it, make the authorization, yea or nay, and go forward.

TG: One other question for you, Mr. Pikula, are we pretty comfortable that this is legal, not subject to effective legal attack?

EP: Well, I'll go this far. We're on the cutting edge here, we are. This, I think, we're the first community in Massachusetts to go forward with this, but it is a system that has been tested throughout the country and has been successful, so we've tried to model this to conform to Massachusetts law and the limits of our municipal authority, but with an eye toward what's happening across the country.

TG: Could be in other words.

EP: Well, everything's open to attack. I mean I don't...people can sue anytime they want over anything they want, but I'm confident that this will withstand the challenge.

AL: [unintelligible]

SL: And actually to hedge against the possibility, however, whether it's remote, whether it's moderately possible, whatever the possibility is, we're looking at a roll-out. Instead of doing the entire project all at once, looking at rolling out small pieces of it so the financial liability, if for some reason it were successfully challenged, You're not losing your entire investment, you're losing just a small piece of it.

EP: Yeah.

****MOTION FOR FIRST READING PASSES UNANIMOUSLY.**

Video Amusement Ordinance

PP: Mr. Pikula will brief the board on the next item which is a video amusement ordinance.

EP: Executive Order 8-1102 is a new ordinance amending city ordinances by adding a new chapter with regard to automatic amusement device license fees and regulations. This is an initiative of the Mayor which he asked me to work on after consultation with the State Police. The State Police have been going forward with a number of sort of raids of various operations of illegal gambling machines, and they suggested that it might be prudent for us to ban what's called these "video slot machines." The video slot machines have been the effort...or the target of most of the State Police efforts. This ban has been implemented in some of the surrounding towns (Chicopee, Westfield, Agawam), and it really would work best if it's really actually more of a *regional* effort, and so the State Police have asked us to step up to the plate on this.

These types of machines are, according to the State Police, the types of *illegal* machines which fall somewhat in a loophole under state law. Although state law bans slot machines, the definition of a slot machine talks about "a mechanical drum." And we're now in the video age, and the statute really doesn't speak to those, so this tries to fill that loophole so to speak at the local level which the State Police have had a devil of a time trying to enforce.

AL: So this is something that's going to be enforced by the State Police and not the local police?

EP: Well, what it does, is it provides the State Police with the ability to keep better control of the illegal operation. One, by us banning the video slot machines, but two, it sets up a registration process where the State Police will be able—or any local enforcement, any enforcing authority—will be able to come into an establishment, and

they will now have a sticker on each licensed machine which will have a registration number. So that we will be able to control the *applicant* and the *owner* of these machines or at least have some information. As the State Police go forward, you can probably commonly see where they raid a place and take out or confiscate some of these machines, the owner of the establishment says “I don’t know who owns them. Guy comes in here and rents them to us.” And then that can sometimes hinder prosecution. Here, we’ll keep a record, the licensing authority will keep a record of who’s *applying* and who’s actually *owning* and making sure that it’s a machine that we feel is not likely to be used for gambling.

So this will aid all law enforcement agencies in stopping illegal gambling. It will aid our license commission in working cooperatively with their agents in the field to make sure the laws of the Commonwealth are obeyed.

CVR: I just wanted to tell the board that this first came to my attention when Pat Markey was solicitor and he informed me that members of the State Police wanted to meet with me on this question. And I had two meetings with them as I remember, and they’re convinced that there is a total link between mob connections and this kind of gaming activity, and it’s an initiative that really stems from the State Police across the Commonwealth to get the help of local officials and local police forces and, with that, really as a springboard, I had no hesitation in saying that I wanted to move forward on it. There has been some publicity in recent months of a crackdown in some of our neighboring communities on exactly these kind of machines.

AL: OK. Any other questions? Yes, Jake?

JJ: As I read this, it’s defining an automatic amusement device to include pinball machines, for example?

EP: Yes, but those aren’t being banned; they’re just being regulated.

JJ: No, but you’re saying that there’s a maximum of four per premises, correct?

EP: And that comports with our permit.

JJ: So all the bowling alleys in Springfield don’t have game rooms that have like 20 pinball machines in them and everything?

EP: That’s a separate...they would need a special permit for those. If you want to have...if you want to run that type of establishment. I believe that’s only allowed by special permit.

City Clerk Wayman Lee: Any number over five, you need a special permit, so that you have five or more. Anything under five is regulated by the liquor license commission.

EP: Right.

****MOTION FOR FIRST READING PASSES UNANIMOUSLY.**

Fire Alarm Box Fees

PP: Chief Cassanelli and Assistant Fire Marshall Rodriguez, please, for the consideration of fees related to fire alarm boxes.

Fire Chief Gary Cassanelli: I'll just give a brief introduction, Mr. Chairman, and you have the document in front of you, I guess, dated August 4. And then I'll ask Fred Rodriguez to answer any questions or [unintelligible] specifics. The intention of this ordinance that we've been working very actively--Fire Marshal Casaboom, and I'm sorry he couldn't be here today. He's on vacation enjoying this beautiful day.

AL: Smart man.

GC: He's cutting his lawn as we speak—

[The intention of the ordinance] is to mandate the changeover, conversion of what we now call “master boxes” to radio control boxes. We currently do have some in the city of Springfield. We've been asking owners of businesses and the like that are installing these types of devices, signaling devices, to put a radio box instead of boxes that are attached to a cabling system that our firefighters have traditionally been maintaining and upgrading and replacing for as long as I can remember. And the goal of this is to gradually phase out...firefighters out of the cabling and signaling business and move towards a civilianization of this particular function or eliminating it altogether, so that we can get these firefighters back into fire companies where they're sorely needed. So I think it's pretty self-explanatory. If you have any particular questions, Mr. Rodriguez is here to answer those for you.

AL: Is it also a more reliable and safer system to have?

Asst. Fire Marshal Fred Rodriguez: The technology that we're currently employing was first installed in the late 1800s.

AL: Right up there.

FR: The gentleman who installed this system was an assistant to Alexander Graham Bell, and it's basically nothing more than a telegraph system, and the technology with the electronics that we have today is...the technology that we're currently employing is...

AL: So, no one would put our system in today.

FR: No. No one in their right mind would use this system today.

GC: It's been a very reliable system

TG: These are not the pull boxes in the street. These are different animals, right?

GC: Well, they're essentially the same thing, except what we call "master boxes" you find them in schools, churches, hospitals, things of that nature, basically the same type of signaling device. They're extremely reliable, and they've proved themselves over the years, but our goal, and I think one of the priorities of the Buracker study that was done on the Springfield Fire Department was to try to move as many uniformed fire fighters out of areas that, you know, they don't really need to be in. And there are other ways to do this. We've found that radio boxes have been extremely reliable as...

AL: Most other cities use the radio boxes?

GC: You're starting to see a trend...move towards that, yes.

CVR: Mr. Chairman, I'm looking at the proposed ordinances, and they seem to cover two or three different matters. One is a definition, another is a mandatory change out of the master boxes, then one has to do with setting of a significant fee schedule. And I don't know, maybe Mr. Lee could help us whether or not we should be moving on these individually or can we adopt all of these together in the same vote.

WL: You can adopt them all together. All together.

CVR: All together.

AL: OK.

JT: OK. In terms of the cost for the removal and replacement, how is that funded?

GC: The cost to install a radio box?

JT: And the removal of the master boxes and replacing with the radio boxes, there's costs attached to that. I'll ask Mr. Rodriguez...

FR: The city would bear the cost of removal of the master box, but the individual properties that currently use the master box would be required to bear the cost of replacing the master box with a radio box, and that cost is reflected in the documentation before you. It would range between the cost of \$4800 and \$6800 per box.

AL: And how long do people have to make this change?

FR: 'Til 2008.

GC: Until the end of 2008, Mr. Chairman.

AL: And the cost to the city would be...is that \$48,000? Is that what you're saying?

GC: Yes, approximately.

FR: But that would be a one-time cost to remove all the master boxes. So that would be done. As the boxes are removed, they would be replaced with the radio boxes.

GC: We would leave the cable in place.

FR: We would leave the cable in place. There would be no removal cost from the cable.

AL: OK. Any other questions?

****MOTION FOR FIRST READING PASSES UNANIMOUSLY.**

AL: I hope the new ones last a long as the old ones.

CVR: We'll be here to check them.

Revised Executive Order – Trash Fee

PP: Mr. Chairman, at our last meeting, you recall the board approved a trash fee, and directed the Mayor and I and city staff to finalize our proposal to you that we have been working on since the June board meeting. We have put together a variety of information for the citizenry. We've posted it on the city's website, we've distributed it to neighborhood councils.

And what we're asking you today—Mr. Chwalek, if you could join me—what we're asking of you today is to really finalize a couple of different items. One is the discount for senior citizens that was...that we discussed at our last meeting of 25% over the age of 65. (There are some additional exemptions as you will see.) Secondly, based on my conversations with both Mayor Ryan and Councilor Tosado, we'd also suggest to you that the bulk fee which is presently set at \$12.00 be lowered to \$8.00 in some sort of gesture, at least, acknowledging the imposition of the trash fee. Yes, sir.

AL: Does the \$8.00 cover the cost of...?

PP: Yes, the \$8.00 covers the cost by about \$.50 per load. OK?

AL: OK. Cutting it close.

PP: And then, lastly, to approve the regulation that we have drafted related to the approval of private hauling companies should a citizen wish to avail themselves of that option as opposed to using the city's DPW to pick up and dispose of their trash. Did I leave anything out, Mr. Chwalek?

DPW Director Alan Chwalek: No.

AL: OK Any questions...

PP: Should be contained in executive orders 04, 05 and 06.

AL: Do we need three votes? One vote?

WL: You're going to need three.

AL: Three votes?

TG: Can I ask a question?

PP: Yes, Sir

TG: Payable quarterly, you're talking about \$22.00 roughly. Is the processing pretty inexpensive to do this? In other words, why don't we do it less often?

PP: We tried in many ways to...a) the processing is inexpensive, but, too, we tried to replicate the process and procedures associated with the payment of real estate taxes, and there is, to a certain extent, in a certain number of city residents, where a quarterly payment I think they will appreciate as opposed to bi-annual or annual..

TG: OK

** ALL 3 MOTIONS PASS UNANIMOUSLY.

Capital Project Fund Balance Executive Order

PP: Item number 7 on the board agenda is a housekeeping item related to previously unexpended bond funds, and I'll let Mary [Tzambazakis], the CFO, give you a description and then ask you to approve executive order 8-11-07.

Mary Tzambazakis: Good afternoon, gentlemen.

The first paragraph of this is transferring \$338,588 of unexpended bond proceeds for libraries to transfer it into a holding account to allow us to do some significant repairs that are needed at the Forest Park, Pine Point and Sixteen Acres libraries.

The second component of the transfer is a clean-up of old bond accounts which are \$326,000 broken up into the individual term years that can be re-appropriated for capital projects as long as they fall within the same term of years for capital projects. We've been going through the last year or two, going through old accounts, confirming that the money's been issued, available, the projects are closed, having sign-offs, and we're coming to you for transfer to a holding account for later decision on the spend for the first portion.

The first portion, based on the needs of the libraries, we're going to recommend that we are allowed to use that to do the library repairs, and Mayor Ryan is familiar with that issue.

AL: OK. That's it.

MT: That's it.

****MOTION PASSES UNANIMOUSLY.**

[Wilfred Valliere tries to speak from the audience, but is not recognized by the chair. The Mayor promises to meet with him afterwards.]

Urban Pioneer Ordinance

PP: I have here item number 8, the adoption of an Urban Pioneer Ordinance. Mr. Panagore. This is a subject the board has discussed and asked questions...and, David, if you would walk us through, please.

Economic Development Director David Panagore: This would be the second vote. The board voted last month on the first of two votes required for an ordinance. And we'd request this morning that the vote pass adoption of the ordinance as requested last month. Thank you.

PP: It's just a second reading of which the board has already approved.

DP: Correct. Last month was the first vote.

PP: And that's the...I could have done that, too.

****MOTION PASSES UNANIMOUSLY.**

Creation of Library Donations Fund

PP: Mr. Mayor, are you going to speak about the creation of the library fund?

CVR: I'd be glad to.

PP: Yes. Thank you. I was under the impression you were.

CVR: We have...we have people who want to make donations to...for the benefit of the library, and without creating this fund, we have the problem that the money immediately goes to the general fund which sometimes is not the wish of people who otherwise would be disposed to give. And so, Mark Ianello the city auditor who is here, has indicated to

us that we should create this so-called Library Donations Fund, and I'd be glad to turn it over to Mark to further amplify the need or the wisdom of this particular motion.

City Auditor Mark Ianello: It's really just a bookkeeping clean-up function. The control board a couple of years ago when you first came on got rid of revolving funds and other types of funds. This account is...there are...it's not a large sum of money, maybe anywhere from \$30,000 to \$50,000 per year, but patrons of the library like to donate \$5.00 or \$10.00 here and there towards the library. And this allows the library to take those donations and, subject to the provisions in the order, expend those on library functions or in accordance with the donor's wishes.

AL: Well, can I ask a question? I was just reading it very quickly and it says, "interest earned on any fund balance shall be treated as a general fund revenue of the city as opposed to being utilized by the library."

MI: That's just what we put in there, I mean it could be...

AL: How about putting it to the library?

MI: It could be, you know, very easily amended to that.

AL: So that would make it better for the [unintelligible]...

MI: It's not a huge number, but it's...

CVR: OK. Fine.

MI: Well, I mean, the statute does allow it to go either way.

AL: Well, I mean, people are giving to the libraries then.

PP: We will amend that line to include "the interest shall accrue to the library fund."

AL: I think it's fair...

MI: "...to the library donation fund."

PP: "...to the library donation fund." Do you have that, Mr. Clerk?

AL: OK.

CVR: I'd like to make a motion with that amendment in there.

PP: Thank you. [to TG] Did you catch it. too?

TG: I'm a library advocate.

AL: Some of us still read books.

****MOTION PASSES UNANIMOUSLY.**

Police Civilian Review Board

PP: I'd like to present Mr. Pikula and Commissioner Flynn to discuss the police civilian review board at a request of Councilor Tosado, and I'll turn over the podium to them.

AL: Good morning.

Police Commissioner Ed Flynn: Good morning.

TG: Good morning.

EF: I'm going to defer to counsel here.

EP: All right. I believe Councilor Tosado had put this on the agenda I guess sort of updating you, wanting an update so to speak on this issue.

JT: Ever since the police commission was dissolved about six or seven months ago in order to create the new position of police commissioner, I have been speaking with Phil Puccia about the need for a creation of a civilian review board. It's my feeling that although we have some fine men and women in the Springfield police force, and I know that personally having served four years on the previous police commission and that was also borne out by the Buracker report that said that, basically, about the rank and file's commitment, level of education and fine work they do for the city.

Having said that, I again I believe that the creation of a civilian review board only would serve to enhance Commissioner Flynn's focus on accountability plus the check and balance system for the city in terms of having some level of civilian oversight. So with that, I asked Phil if he could ask the Commissioner and yourself to come in and speak on the subject in terms of where we are exactly relative to the creation of such a body.

EP: Since the Commissioner has been here, we have been having discussions about this issue. The topic has come up as a subject as a means of helping to resolve some litigation which is pending, and so the Commissioner's plans for the civilian review board--and he'll speak to those--really are also applicable to some on-going litigation. The litigation in particular, you may recall, was a complaint by the Pastors' Council that was brought at the MCAD [Massachusetts Commission Against Discrimination] after the Douglas Greer incident.

Since that complaint has been filed, the police department and the city have been working with the MCAD and the Pastors' Council to resolve that. Where we are right

now is to...is that the resolution of that case includes the engagement of an expert from Northeastern University who has experience nationwide in helping communities establish civilian review boards. As the...one of the terms of our negotiation which are on-going, the city is planning to engage the, this expert to provide us with the benefit of his counsel and not...and really study the city's government system, the city's police department, the city's cultural sort-of amenities which...and the various community organizations which have interests here planned. There's plans to have public meetings on this, but, ultimately, we hope to end up with a civilian review board or type of system that helps improve the police department. As I said, this is part of the Commissioner's plan, but it's also part of some litigation, so, with that.... I hope that updates you. I can give you a time frame.

JT: I was going to ask. Is there a time frame for that?

EP: We hope by September to have a detailed description of the process that's being planned which includes the settlement agreement, the MCAD input, the Pastors' Council's input into this process which will go into ultimately giving us a civilian review board that works for Springfield and its citizens.

CVR: I'd like to support something that Jose has just said which I think is very important that this should not be seen as something that a) is driven by the litigation needs or the Commissioner. Because this control board made it clear at the time of voting and supporting the elimination of the chief's position from civil service and the elimination of the old police commission that we expected to move forward as part of this with a new commissioner which would have a lot of the powers of the old police commission, but that we really anticipate that we'll have a civilian review board. So I think in many ways this, this, this issue is more driven by the expectations of the control board with which I totally concur than the litigation that you mention.

Commissioner, what are your views on it?

EF: Well, I would certainly endorse the comments of Council President Tosado in terms of the fact that my belief is that a carefully thought out form of civilian review can enhance the credibility of police investigations and can go a long way towards establishing an additional level of trust in the community, that the police department is transparent enough to allow its investigations to be reviewed by an outside body. And that outside body might make recommendations to the police commissioner as to findings of fact and general advice.

I would also concur with your observation, Mr. Mayor, that I do have some concerns. I certainly understand the strategic sense of tying in what we develop as a citizens' review board into the litigation. I mean it makes perfect strategic sense and hiring an outside consultant with expertise in this area makes sense as well.

But I certainly want to make it clear that I've absolutely no interest in seeing a replication of the former police commission imposed upon me nor in having a body to

whom I would somehow report or that would have authority to recommend specific discipline or specific findings. Those, I think, are powers and responsibilities of the police commissioner who's accountable to the mayor and through the mayor to the people and whose performance is obviously going to be evaluated when it comes time to decide whether or not to rehire that commissioner. So there's a firm accountability in place. I'm the accountable person, and I intend to remain so.

But having said that, I think there's a great deal of use to be derived from having a properly credentialed expert which Northeastern is. (They did all the work in Boston. And, as a matter of fact, they made recommendations to that mayor some year ago as to how they might proceed.) There are several variations of citizen review around the country that have greater or lesser success. I've certainly done plenty of reading on the matter myself as any responsible chief executive would. So there are other options that we might emulate or modify to our circumstances.

So, conceptually, councilor, I certainly see the importance of having an outside review that can go look to the credibility of our investigatory processes as well as enhance citizen confidence that we're proceeding lawfully and appropriately and where the evidence takes us. But I do want to make sure that what we end up with is something that is useful and not another layer of bureaucracy.

CVR: The name of the expert escapes me. McKiterick or something like...?

EP: McDevitt.

CVR: McDevitt. And where are we on the contract situation right now?

EP: We expect...

CVR: Is he under contract?

EP: He will be very shortly.

CVR: OK. Because I'd like to see this move along.

JT: So when you speak about some time in September having a draft of a process and a plan, that includes then, I mean, the anticipation that this...the consultant will have provided that level of consultation to help develop...

EP: No. No, the...we expect to have the consultant on board, settlement agreement and the process of trying to determine what our civilian review board should look like to *begin* in September.

JT: Oh, so it's a planning process. You'll have the planning process in *place* by September is basically what you're saying.

EP: And, and, yes. And the community will be involved with that process...

CVR: But the outline of that process, I think what Jose is getting at. The outline...you'll have the outline for us by the September meeting.

EP: Yes.

CVR: And clearly, the community I doubt will be involved prior to September.

EP: No.

CVR: The consultant on board and with the Commissioner perhaps with myself come to grips with the process will be followed.

EF: I get a sense some of the tension is around the sense that there are some folks involved in the process that kind of want to see the end state identified up front, all right? And that we would back into an end state, and that's certainly not my interest...

CVR: No, no.

EF: ...and I know it's not the control board's interest...

AL: Right.

EF: ...that working towards something that's more open is what we're trying to drive for.

CVR: Can you tell us, what's your experience of knowledge of...maybe we limit this to urban centers throughout the country. Civilian review boards are not rare birds I take it...

EF: They're not, and they're not a panacea. I think you certainly found that with your historic experience with the police commission. You had good ones, you had bad ones, you had mediocre ones. You had some police commissions that really got involved in operations and some that perhaps were hands-off and some of which had a habit of exonerating everything the police did and some of which didn't.

So, you know, there's no panacea here in terms of coming up with a single solution. Some boards have been totally co-opted by the political process, some boards have retained a degree of independence that's stood the test of time and developed credibility with community groups and with the police leaders as well. So, you know, getting a good survey of what's happening in the country, identifying those systems that have withstood the test of time and not become part of the political deba--, you know, all of them are part of the political discussion, but not become co-opted by partisanship—identifying those, I think, helps narrow the universe of programs we might want to learn from and possibly adopt here, and that's really where Jack McDevitt comes in is identifying those with some level of confidence that have worked to establish confidence in the police and have established community confidence in the process. And also to

work with the community and the police to come to some consensus, you know, as to what would work here in Springfield.

AL: Any other questions? Thank you for your report.

Eminent Takings for State Street Corridor Project

DP: Mr. Chairman, board members. Next we have a series of votes regarding the State Street corridor project. We—myself and Kathy Breck and Al Chwalek—are here.

State Street corridor project is a \$13million streetscape improvement project from the downtown out past MassMutual. It involves hundreds of takings. We are on schedule to begin construction next year. We're headed into more design and specification work this fall.

A critical element and a milestone, we're hear before you this morning is on the necessary streetscape eminent domain takings. Some of them are temporary takings to allow construction. Some of them are permanent takings. They're all to allow the road work to proceed and to straighten the street out and to be able to ease traffic congestion along State Street. It has been a very good partnership with the businesses and institutions along State Street. Everyone sees the benefit of this project and how it can be transformative to the heart of the city. And so we're here before you this morning with a series of votes for eminent domain takings. And Kathy Breck will take you through them, and Al Chwalek will be here to answer any technical questions.

AL: What's this -10 and -?

DP: It's a, b, and c appropriation order of taking is in terms of the votes.

Assistant City Solicitor Kathy Breck: It's nine, ten and eleven, Mr. Chairman.

JJ: Eleven is way in the back.

AL: OK, fine. Can you just explain one thing to me? What is a "temporary eminent domain taking"?

KB: It's temporary construction access easement. In order to allow...

AL: It's not just an easement or something; it's an absolute taking.

TG: [unintelligible]

KB: The "easement" is a right of access; the "taking" is just how you acquire it. The reason we're doing takings is to complete this aspect of the project within the milestones. Otherwise, we could have gone out and attempted to negotiate with 194 property owners on State Street, many of whom did actually give us—voluntarily give us—access rights

for no cost. The list of the takings that we have for you today, many of them were donated, but in order to get the permanent rights and get it recorded in the registry so it's on the records, we have to go through the taking process this morning.

I've provided the board members with a very brief summary of the orders that are before you this morning. The first order is the appropriation order, and that is 8-11-09, and we're asking the board to appropriate the sum of \$44,002. for the...to pay the damages, the land taking damages. And, again, we're not taking anyone's land outright; we're only taking access rights, either on a temporary basis or on a permanent basis.

The second order is the actual order of taking. And that lists 91 different parcels of property over which we'll need 15 permanent easements and 76 temporary construction easements. The temporary construction easements are for five years. And the reason for that is our anticipation and our hope is the project will go out to bid in the fall, and construction will be in the spring. If for some reason that doesn't happen, we want to have the rights for an extended period of time in the event there's a delay in the beginning of the project.

The third order is executive order 8-11-11, and the reason for that order that was added very recently is that we realized that three of the properties that we need access to: two of them are owned by the Commonwealth, and one is owned by the federal government, it's the new federal court house site. We fully anticipate that we'll have friendly negotiations with the Commonwealth and the General Services Administration to get access rights to those properties, and I'm asking the board to authorize the Mayor to enter into those negotiations and secure those rights.

AL: Be tough. Be tough with them.

KB: So the first order is order 8-11-09. It, again, appropriates the sum of \$44,002. as damages for both the permanent easements and the temporary easements. The funding source is an appropriation account from the Department of Public Works which is the city's Chapter 90 funds.

CVR: I have a question, Mr. Chairman. Kathy, in your memo of August 4 to Mr. LeBovidge, you say that we need to submit all required documentation to MassHighway by September 1. My guess is that there will not be another meeting of this board prior to September 1. And so does this really represent a...I mean, is this a done deal? Do we have everything here that we're going to need by way of takings?

KB: Yes, sir.

CVR: And does the \$44,000. represent essentially full payment for the parcel we have to pay for?

KB: Yes, sir. And we've had all the parcels appraised. Numerous parcels, the easements have been donated, but we still have to go through the taking process. For

example, I think that for American International College, there were some 15 various parcels they agreed to donate the easements. Otherwise, we would have had to pay much more, but many of the property owners donated them. And also I've noted for the board that the Roman Catholic Diocese of Springfield or the Roman Catholic *bishop* of Springfield has agreed to accept nominal damages for the two parcels that they own up by the St. Michael's Cemetery. They have two permanent easements, so, that's where you get the \$2.00; we gave them \$1.00 for each of those parcels. That's why you see that amount.

CVR: Well, there's a lot of detail in this so I think you and the others working with you have done a great job.

KB: Thank you.

****MOTION PASSES UNANIMOUSLY.**

KL: This is the order...

AL: Federal government and Commonwealth of Massachusetts?

KB: Right...allowing the mayor and city to enter into negotiations with those property owners and it also creates some of up to \$5000. to pay whatever costs may be associated with acquiring those easements. I don't expect that there will be any significant costs, but just in the event, since we won't meet again prior to our deadline for submission, we'll ask the board to approve a sum up to \$5000. for that.

AL: Do you know at the state who you negotiate with?

KB: Mr. Rosauskis was able to get me in contact with the general council at Capital Asset Management for the county courthouse property which is one of the two. The other property is owned by the Department of Mental Health, and I have not had an opportunity yet to determine whether or not that would be a separate agency or DCAM [Department of Capital Asset Management] would handle that as well.

JT: Which property is that?

KB: It's located at 732-736 State.

JT: I don't think that's any longer owned by the Department of Mental Health. I think it's DCAM would be the agency.

CVR: What number are you at?

JT: I'm at 310 [unintelligible] Place, but that used to be our building at 7 whatever-the-address-was used to be our building. (I'm with DMH) But it's no longer ours. I think,

actually, it belongs to either DPH [Department of Public Health] so DCAM will be the agency.

KB: It's still owned by the state.

AL: OK. Well, we know where they're located.

****MOTION PASSES UNANIMOUSLY.**

New Business: Second Anniversary Assessment of FCB by Mayor Ryan and Councilor Tosado

CVR: Mr. Chairman, we've reached, really, the two year's birthday of the control board, and we had a little acknowledgement of the great services of Phil Puccia yesterday, but it really, I think, is incumbent upon me and perhaps Jose, speaking for the city, to thank the board and the members of the board. Two of you, the chairman and Mr. Jacobson, have been here since the beginning; Mr. Gloster has so well filled the shoes of Tom Trimarco.

I think it's important for us to remember who we were two or two and a half years ago. The city in the previous year had fired 585 people. The administration had reneged on contracts that had been signed under collective bargaining. The street lights were off. The streets were not being repaired. The school buildings were not being fixed. There had not been a police cruiser bought in six years, and on and on and on.

We found out together that we had a deficit of \$41 million. A short two years later, in spite of the fact it's been a rocky road, we're looking now at a balanced budget. The lights are on. The grass is being cut. The buildings are being fixed. We have 111 cruisers that we have bought in a year and a half. And none of this could have happened really without the work that you have put into this.

I'm kind of fascinated. Government means a lot to me, and I see it debased so often around this nation. And to realize that three--I guess four counting Tom Trimarco--gentlemen have come from other communities into this community and given what you have given of your time and your attention and your talent, really is a very, very significant thing. So, as mayor of this city, I just want to express my gratitude to you for the job that you've done. I know we all realize, probably better than anybody else in this city, that we're not there yet, that there's still a lot more has to be done, but we're very, very grateful for your act of faith in the people of this city and its future.

AL: Well, you know, just from my point of view, thank you for your comments. You know, we know we're not finished. But I think all of us share the vision for Springfield as a really leader of Western Mass, and we're trying our darndest to see if we can make it all come together and work, so we'll keep on plugging.

JT: Sir, and just from my perspective, again, and there are those that will criticize, but there are those who will criticize when the sun comes out. And it's been an experience

for me being here on the control board for the past eight months or so. And, again, I have had a bird's eye view, really, in terms of the issues that the city has faced, the kind of work that Phil has done as well as the control board in terms of identifying those issues and actually developing some concrete plans to move forward and turn the city around. And it's been a painful experience in some regards, but also one that provides hope for the future.

One of the intangibles, really, has been as, as, I do speak to people in the city of Springfield--I move throughout the city--I've do get the sense of hope from the citizens themselves that things are turning around, and they're part of the process. Sometimes, willingly and sometimes unwillingly, but they're part of the process. And I think that the citizens really are starting to make that kind of investment and are feeling good about the direction of Springfield.

I'd also like to, frankly, commend the Mayor, because I'm going to be the third member from the city council on this control board, and, while I think we've achieved some degree of consistency, because I believe Councilor Sarno and Councilor Rooke also were able to be objective and see where the city needs to go and were able to make those tough decisions at times. We need to make, and we just need to make them because it's on behalf of what's right for the city. But in spite of that, the mayor has been here since Day 1, I've actually had the—I didn't support him in his election or his re-election, frankly—and, but I've grown to actually respect him and admire the man for his tenacity, for his integrity, and for doing the right thing. And I think he's also been part of the solution, so I congratulate the Mayor as well as the control board.

****MOTION TO GO INTO EXECUTIVE SESSION APPROVED UNANIMOUSLY.**

MEETING ADJOURNED.