

FINANCE CONTROL BOARD, January 17, 2008

Present: Chairman Christopher Gabrieli, Mayor Domenic Sarno, Robert Nunes, James Morton, City Council President Bud Williams, City Clerk Wayman Lee

Public Comment [summarized]

Lois Smith [wants a seat on the superintendent search committee; statistics on public school performance rate are inaccurate because the many students who drop-out don't take the MCAS and if they did take it, scores would be even lower; many public officials send their children to Catholic, not public, school; praise for continuing and previous FCB members; hope for Mayor Sarno and Councilor Williams as FCB members.]

Patricia Stefanowcz: [represents 125 non-union crossing guards; have had no raise in ten years; duties and hours have increased as a result of walk-to school districts; they presented a proposal in April 2007 to Phil Puccia, but have gotten no answer; want FCB "to do something for" them.]

George Blake: [Renaissance School needs unified campus.]

City Councilor Patrick J. Markey: [appreciates what the FCB is doing; supports the council and FCB acting as a team approach; Mason Square needs a full-service branch library: make it a priority; Renaissance School is a success and needs a unified campus.]

Alan Agnitti: [supports crossing guards; Renaissance needs a unified campus; supports reuse of old federal building on Main Street as its permanent home; supports hiring a new superintendent, particularly one who won't hesitate to clean out deadwood and hold schools accountable for behavior of unruly students.)

Jesse Lenderman: [Renaissance School student wants a unified campus; presents petition from faculty in support of his position; invites FCB to visit the school.]

Vera O'Connor: [Trash fee is unjust and should be repealed; recalls days when trash collectors removed barrels from basements and trash collections took place more than once a week. Trash fee is especially unfair for condo owners whose trash goes into dumpsters; another arrangement should be made for them. Supports prompt relocation of Mason Square library, but opposes locating it at the former Byron Funeral.]

Approval of the Minutes

****MINUTES APPROVED UNANIMOUSLY.**

Merrill Lynch At-risk Investment Update

Chairman Chris Gabrieli: Before proceeding to the rest of the agenda, I'd like to give an update on where we stand on the matter of the city's investments with Merrill Lynch, and

specifically, investments that are at risk as has been widely reported, and I'm going to entertain a motion that I think Mr. Morton has at the end of that process. Let me say that the control board certainly has spent quite a bit of time as individuals and as a group working on this issue. It's a of great importance; we take it very seriously. It occurred, as you all know, quite some time ago. None of us were actually on the control board at the time, so we try to play catch up and make sure that we do our duties there.

This morning we got a presentation from the law firm that's been retained by the control board, Goulston and Storrs, on what they have been doing to assess what happened and to, in particular, focus on our goal of recovering one hundred cents on the dollar for the city. We remain confident of two things that I want to emphasize: one, that objective, reasonable reviews in our view confirm that Merrill Lynch has serious responsibilities and accountability here, and we believe that we will recover all of our money from Merrill Lynch, because we believe that they're responsible. Secondly, we believe that our actions in calling in the attorney general to assist us have been productive. The attorney general does not generally comment when they're investigating something where they have not brought a case. As you know were willing to say publicly that they are investigating it, because they realize it is a matter of great interest to the public. They won't, of course, comment on how they're doing or where they stand, but we have, I think, a good understanding with them about where they stand. We know that they are moving as quickly as they can under the circumstances and see this is a very significant issue. We see it as very positive for the city of Springfield that the attorney general is leading the charge and we are choosing to defer any right we have or opportunity we have to directly pursue it, because the attorney general has both powers unique to a public authority that would not be available to us were we to pursue Merrill Lynch on our own; they are also very specialized for this sort of case. And, although it is a very distant third, is a very happy third, they are in fact free to the public. (They are not "free;" we pay for them through our income taxes and whatnot, but they don't charge the city of Springfield and we like that a lot.) Most importantly, though, in all seriousness, they are the right authority to pursue the case. We have not surrendered our right to ever take direct action, and we'll continue to review from time to time to make sure that this stays on track.

We're also very aware that besides the number one priority of recovering the money, we need to do our job to review, you know, any and all processes, procedures, etc. We continue to do that. We continue to focus on making sure that the significant reserves that have been accumulated of the city are secure, and in that regard, we're going to, I think, entertain a motion shortly about setting a policy for the location of cash above and beyond the minimum cash needed to operate the city on a day-to-day basis. that motion, I believe, is going to refer to a public entity, the treasurer's, the state treasurer's fund. I'm going to as Mr. Lisauskas to, for all of our benefit, as well as the public benefit to describe that fund called the MMDT [Massachusetts Municipal Depository Trust], and we'll talk about why that maybe a suitable place for us to invest excess cash.

Executive Director Steve Lisauskas: Thank you, Mr. Chairman...

Mayor Domenic Sarno: Mr. Chairman if I might, I just wanted to make the statement that we take this very seriously. It's a new administration walks into this situation, and we deeply appreciate Chairman Gabrieli and the control board with the attorney general, Martha Coakley's office, and also the assistance of secretary of state and even Joe DeNucci on the auditors. As we look to make sure that we get this money back and continue our review, it is important also to note that as we move forward on this situation that if we can continue to have the attorney general and/or any other sister agencies of the state do this, obviously this will cut down on any costs incurred by the city legally. But we do feel that Merrill Lynch has operated in a negative capacity and we're taking this very, very seriously. Thank you, Mr. Chairman.

CG: Thank you. I failed to say on behalf of those who've been here six months to welcome, of course, the two new members. We got right to the business, but we're delighted to have the opportunity to work with you and Council President Williams. And everybody found their usual chairs and their new chairs and I know that you've been—I think you've both been on it before, right? You have and you had not, Mr. Williams, well, welcome. Mr. Lisauskas, can you describe for all of us and for the public what MMDT is.

SL: Certainly. The MDT is the Massachusetts Municipal Depository Trust. It's a state sponsored investment pool operated by the state treasurer's office that provides a vari-...it invests in a variety of cash related investment vehicles, such as money market funds, certificates of deposit and other investments that are determined appropriate for cash management investments. So it is a sizable pool of investments that is under the fiduciary responsibility of the state treasurer's office. And it is an investment option that's available to the city of Springfield and, again, provides liquidity and provides a rate of return as one finds at all times when you're investing cash in a CD. So it provides a fair amount of...it provides a liquidity the city's going to need as well as some...with the state treasurer being involved, a sense of security. The commonwealth is investing the assets on behalf of the city and we believe we have some...it's a prudent investment option moving forward.

CG: I think it is also my understanding that numerous cities and towns, but not all...

SL: That's correct.

CG: ...avail themselves of this service, sometimes in larger portions, sometimes in smaller portions, but they...it's a pool of many cities and towns that actually use this money, right?

SL: That's correct and as you indicated, Mr. Chairman, some communities use it; some don't. Some use it for all their cash, some use it for part of their cash. So a variety of cities and towns do make use of the Massachusetts Municipal Depository Trust, yes.

James Morton: In light of your responsibility for these funds and in light of Mr. Lisauskas's description of the MMDT, I would move that the treasurer for the city of Springfield be instructed to invest all revenue as he deems not required for on-going expenses to be placed in the MMDT moving forward.

Robert Nunes: Second.

CG: And just to comment, I think I'm going to vote in support of that motion, and I think that it is important that we as a control board assure the public that we are paying close attention to...given, you know, the unpleasant facts around the Merrill Lynch investment...that we're paying close attention to all going forward opportunities we have, and I think this is a very thoughtful, responsible approach. Many cities and towns, as you say, pursue it. That balances their priority on security first, liquidity second, and within those two limitations, the maximum return possible which benefits the taxpayers as well. So thank you for that motion.

DS: Again this is in protection of any more unscrupulous investments being made by the investment firm. So security is the number one issue to protect the taxpayer's money. Thank you, Mr. Chairman.

****MOTION PASSES UNANIMOUSLY.**

Acceptance & Expenditure Authorization for Two Parks Department Grants

SL: Thank you, Mr. Chairman. The next item on the agenda is an executive order accepting two grants. The first grant is from the Irene and George A. Davis Foundation. It's to provide additional enrichment activities at the Community Learning Center; that's a \$25,000. grant provided...offered to the city of Springfield. The second grant is a \$50,000. grant from the Massachusetts Department of Education for after school and out of school grant programs at Pottenger Elementary School. So both of these programs would provide continuing after school, outside of school, educational enrichment...and enrichment opportunities to the school children in Springfield.

JM: I move that we accept these grants.

Councilor Bud Williams: \$50,000. would be spent at Pottenger School?

SL: Yes, sir.

BW: And the \$25,000. will be?

SL: The city operates a....it's through the 21st Century Community Learning Grant through the Learning Center, so it's operated through a learning center that the Division of Parks, Recreation and Building Maintenance [sic] operates and has for some time.

BW: Thank you.

DS: And we appreciate the Davis Foundation, John and Steve. They're always stepping to the plate whether it's helping out the city of Springfield or other non-profit agencies dealing with youth and a lot of social aspects. The Davis Foundation's always there and we appreciate the Department of Ed.; every little bit counts, but Davis Foundation is one of the excellent philanthropic organizations that's around. Thank you, Mr. Chairman.

****MOTION PASSES UNANIMOUSLY.**

Acceptance of the Provisions of Mass Gen. Laws Ch.90, sec.20A

SL: Thank you very much. The next two items on the agenda relate to parking services. The first item is a motion to...excuse me, an executive order that would accept the provisions of Chapter 90, section 20A½. Essentially what this would do is authorize the city to appoint a parking clerk to handle on-street parking related functions, would authorize or reaffirm the city's existing parking fee structure (in this instance it's a \$50.00 parking fee which increases by time if people don't park in a [inaudible] manner which is pretty standard across the Commonwealth. And also this section of law, that's Chapter 90, section 20A½, allows the clerk to use outside assistance to enforce parking, on-street parking regulations in Springfield, both state law and local ordinances. The parking clerk under normal circumstances would be appointed by the mayor and confirmed or approved by the city council. The next order will handle that moving forward for the next year and a half or so. But the order, executive order before you is to request that the control board, on behalf of the city accept Chapter 90, section 20A1/2.to create the position of parking clerk...to authorize the position of parking clerk, on street-parking enforcement through the clerk, and that fee structure.

DS: Mr. Chairman, Steve, could you clarify that, I mean, what is...how are we currently handling this now?

SL: The way it is currently handled is the city treasurer collector is...has been delegated the authority of the parking clerk and is using public forces. We have six positions, four employees, at the police department who are performing on-street parking enforcement.

DS: How does this effect their positions?

SL: This order does not. The next order would. This order would simply codify into ordinance the existing structure that we have with the parking clerk as a...as the parking clerk providing the functions he currently provides.

CG: Structural change...a structural change or a structural ratification?

SL: A reaffirmation...or an *affirmation* of the existing structure.

CG: So we'll have a job of parking clerk...

SL: That's correct.

CG: ...whose job it is to follow through. (Boy, part of me doesn't want to vote for an increase in the effectiveness of parking.)

DS: Can I ...I'm not sure...the...now this was just brought to the attention now. It was not briefed on this specific appointment to move to the parking clerk, and I would appreciate a briefing on that. This did not come up in discussion.

SL: And I believe, Mayor, this order and the next order does not propose changing anything...does not propose changing who the parking clerk is. It creates the formal legal structure in which the parking clerk exists. So it's not seeking to change who the parking clerk is; it's not making a modification along those lines.

DS: But there are some ramifications in the next...

SL: In the next separate order, that's correct, yes.

JM: So, Mr. Lisauskas, am I to understand that this is simply codifying a pre-existing position of parking clerk.

SL: It's not a separate position...I mean it's someone who's an existing position who is named the parking clerk, but it codifies that under a section of state law.

JM: So this doesn't change anything.

CG: [inaudible] ...treasurer; he is the parking clerk as well.

SL: That's correct.

CG: Just to understand, why do we need to pass this motion if we already have a parking clerk? Is that because it's been ambiguous the basis or do you [indicates city attorney Kathy Breck who has come forward to join SL] have a...?

SL: I'll defer to counsel on that aspect of it.

Attorney Kathy Breck: Good afternoon, members of the control board. I've been working with the Springfield Parking Authority negotiating a contract for the city to move all the on-street parking management over to the parking authority. And as part of that negotiation, I checked with Mr. Lee, and he checked the records of the city to see if the city of Springfield had accepted...these are local acceptance statutes the city has to affirmatively accept it. (It's not just generally applicable to all cities and towns; you have to affirmatively accept it in order for it to be applicable.) And we were able to find through our research that there was a statute back in the 1960s that the city had accepted, but it was a different section of the law, and then that law was amended and later repealed. So we were comfortable that the parking clerk system that we have was legal,

but we wanted to just make it extra clear and be extra cautious and conservative and have the board formally accept this statute which allows for the appointment of the parking clerk and then gives the parking clerk certain duties. It's not adding a different position; it can be performed by an existing city em-...

DS: Technicality then [unintelligible].

KB: It was really an excess of caution on our part to make sure that everything in the contract would be valid.

CG: If we didn't have a parking clerk, what would the consequence be?

KB: Well, under the old system that we had back in the 1960s, it went to the district court, anyone that got a parking ticket that wanted to appeal a parking ticket had to go to the district court and that was just unworkable, so the later statutes did allow for the parking clerk, but it was just unclear whether the formality of the acceptance was done some time between 1963 (say) and now. The records just weren't that clear, so this is really just an abundance of caution to have the control board reaffirm that this is the statute that we'd like the city to accept. And there are two alternative statutes, and this allows for the higher fines, so that's why we're recommending this one.

BW: Mr. Chairman, once upon a time the city operated with a parking clerk back when I first joined the council there was a parking clerk for a good number of years. Is that the same? We're talking something different now?

KB: It's the very same thing.

SL: This reaffirms what the...what's happening...what's going on right now and provides the legal...as the solicitor said, this provides...we're doing this now...we're providing the services in this exact way right now, and this clarifies any legal issues that may exist.

CG: What I hear you're saying in non-lawyer terms is we've been acting as if we're a city that has a parking clerk; we've got a person doing that job, but we're talking about anything else separately you didn't actually back into it except the law that we needed to accept to be totally clear, because we'd accepted some previous law. OK.

KB: We'd accepted a previous law, and often the interpretation is when you accept a previous one and then a subsequent one comes along that's the very same thing, that you accept that, but it's just really to be super clear.

RN: And the treasurer could remain the parking clerk.

SL: That's correct.

RN: And that's a decision by the Mayor and the executive director?

SL: Well, the next order handles...proposes that it be the executive director. My proposal would be that it remain the treasurer, but...

RN: OK. Motion to accept.

BW: Just [unintelligible] discussion through the chair discussion. Attorney Breck, you said something about you're overhauling the way we do business as a parking authority and that...

KB: The next order goes to that particular issue.

BW: OK I'll have some questions...I'll have some questions at that time on that.

KB: Sure.

CG: On the structural issue are we...does any one else have any comments or questions? You're the only one who hasn't asked a question, Mr. Morton. You must park carefully.

DS: He runs all the time.

CG: To say all right, he doesn't drive. Did someone move to accept this, I heard? Is there a second?

****MOTION PASSES UNANIMOUSLY.**

Authority to Appoint Parking Clerk

SL: Thank you. The next item on the agenda also relates to parking and I will...I'm going to hand out just a clarification to the...to that order (I apologize for that) and then also explain both the base order as well as the clarification.

The order before you 11706 2008 would authorize... The order that was just accepted, as I mentioned, authorizes the parking clerk to use outside forces, whether it's employees—it can be somebody other than the parking clerk as an individual—could be employees, can be a contractor to provide on-street parking enforcement services.

The city and the control board for a year and a half or so have been working with the Springfield Parking Authority on parking related issues. The discussion has been for that period of time (and procurements have occurred) that it makes sense to consolidate the administration of on and off street parking as well as the enforcement of on-street parking, because they are both inter--..they are both closely related. The rate-setting is an important factor, enforcement of on-street parking is an important factor for business development (business retention) and effects of-street parking as well. So there has been substantial amount of discussion, substantial amount of effort, working toward harmonizing the on-street and off-street parking. A study was conducted (I believe 2005, 2006) that came to that conclusion. That's what sort of kicked off the city's and the

control board's efforts at that time to consolidate the two. So we'd be looking at the potential of increased efficiency, increased rate coordination and increased collection and enforcement activities. The estimates are that, just based on the number of tickets written, the city could experience a \$1.5million increase just on the value of the tickets written. And there would be some additional efficiency in processing of the existing parking tickets that could lead to some additional recurring revenue to the city of Springfield. So we're looking at \$1.5million, \$2million. The studies indicated upwards of \$2million of additional revenue to the city if the city were to outsource parking, on-street parking, enforcement. Again through discussions with the Springfield Parking Authority, they seemed...they have...they're working to...they have developed the expertise [missing audio]...executive director and to their staff and have issued a procurement to seek on-street, their off street parking manager as well as (if we enter into a contract with them) an on-street parking manager as well. The [missing audio]...for the city of Springfield. [missing audio]

We have six, in addition to the additional approximately \$2million in revenue that's projected by the consultants, would be...that we have six positions in the police department for parking meter enforcement personnel. Two of those positions are vacant. There are currently four people in those positions. During union [missing audio] a year and a half or two years ago, discussed with those employees the fact that we were considering at that time outsourcing [missing audio]. They were notified then, notifying them again now. We've also reached out to who may be the eventual outside vendor, the private sector vendor, and will have a conversation with them about providing an employment opportunity to the existing Springfield employees, those four people whose jobs would be outsourced here, to provide them the opportunity to work for that outsourced vendor.

So the executive order before you would authorize the executive director to formally appoint the city parking clerk (would be the city treasurer, reaffirming what we have done before) and also authorize the...us to enter into a contract with the Springfield Parking Authority for them to manage on-street parking for the city, again to harmonize rates. They would make a proposal to the city with regard to rates. To harmonize management, to improve efficiency and to improve on street parking enforcement throughout the central business district and throughout the city. The—

DS: Mr. Chairman,...oh, go ahead, Steve, I'm sorry.

SL: The difference between the original order and the new order is we wanted to clarify again for an abundance of caution that the Springfield Parking Authority is another governmental entity. We can contract with another governmental entity without going to competitive bid. SPA (the Springfield Parking Authority) went out to competitive bid for the services, but we wanted to make sure that we complied with...wanted to make sure we sort of had our belts and suspenders on and for Chapter 90 Section 20A½ provides that the Springfield...that we can go through a competitive procurement process for outside parking vendors, didn't know if SPA's outside process would relate to the city of Springfield, so we said, "Well, if we use the 9B authority for the control board, whatever

ambiguity may exist is resolved.” They went out to competitive bid, had five or six responses. They did a full procurement process, and I am very comfortable that it was a legitimate, thoughtful process that considered all the options and considered everyone fairly. And this would provide them the opportunity to award that contract for on-street parking services.

DS: Mr. Chairman, thank you, executive director. Steve, a couple questions on this. Now this is...this came to me from the prior administration. The individuals in the police department are hard working individuals, and that’s something that I want to stress. If this move is made that I don’t want to see anybody losing their jobs. And they should be offered competitive rates of salary, competitive benefits, and competitive pension situation. You’re talking about a half a dozen employees here on this situation, because you’re in turn you’re putting in on-site for efficiency and more money. On the bid, if I may, that bid has been awarded? OK. Was it the lowest bid?

KB: It was an RFP process, Mayor, so they go on the basis of qualifications and who’s the most highly advantageous. I am not privy to the price proposal, so I’m not sure if it was a low bid, high bid, middle bid. But during the request for proposal process, they take into consideration quality and then price, but it’s not driven by price. And the...it was, there was a committee that was established, and Ms. Vinchesi from the control board participated on the committee.

DS: I like to have clarification, because I understand there was a substantial amount more and I want to know the reason, the reasoning why on the qualifications and be corrected if that’s not so, but it’s brought to my attention and it’s substantially more and what is the reasoning why it is more, is there some other caveat, something coming with that? And I know if Pat or Steve could explain that.

SL: Well, I think, Mayor, just as Ms. Breck mentioned, on an RFP (invitation for bid) you’re absolutely correct, it’s based on the lowest cost, period. So that’s typically used for when you’re purchasing a table, for instance, it’s...you spec out the table and it’s the lowest cost table. On a service such as this, under a request for proposal, the awarding authority considers more than just cost, because there are more factors than just cost, such as their ability to perform the work, their experiencing in performing the work, the quality of work that they will be providing to the city of Springfield. Because that’s a variable, the request for proposal process provides that you may award the contract to a higher priced firm, but it has to be the most qualified providing the best value, including cost as the...cost is a factor, but it’s not the only factor as you find in a bid process. And I think as you’re looking here, you know, as we had discussed with the process that the Springfield Parking Authority went through, and they have awarded the contract based upon their review of the qualifications and their consideration of cost, because they’re paying the cost as well.

DS: Well, I’m just looking for an explanation, because from what I understand it’s a substantial amount of money, millions of dollars.

KB: The lion's share of the contract that the Springfield Parking Authority has awarded is off-street parking in their garages. The on-street piece, which is what they'd be managing for the city, is the smaller subset, so the contract...they're looking at it with both hats on, both the off street and the on-street, and so I can't tell you percentage-wise how much of the dollar amount would be attributable to off-street which is really... The city has no legal right to tell the parking authority who they can pick for off-street. It's more the on-street portion that they're picking a vendor that will also be performing what the city would normally be doing. So when they're selecting a vendor, they're looking at off-street and on-street...on and off-street...

DS: Through the police department...the enforcement through the police department.

SL: For on-street parking, yes.

KB: For the on-street parking violations, right. But they'll be doing, you know, their vendor will be doing everything. The contract between the city, will be between the city and parking authority. And the parking authority would subcontract to the vendor.

DS: I still haven't received an explanation on why clarification it's millions of dollars more. What are we getting for the millions of dollars more? Who can explain that to me?

SL: Well, I think, Mayor, what I would offer to do is provide you with an explanation as to...I'll have to talk to the parking authority and find out why, for their subcontractor, they're making the decision that they made. The order here would authorize the control board, authorize the city, to enter into a contract for SPA whoever they decide to use. Whether they decide to use...

DS: OK, because I just want it clarified...

SL: ...any of their subcontractors

DS: I want that clarified and the strong message again that I do not want any of our city workers displaced if this takes effect. They should be offered the opportunity of comparable wages, benefits and pensions. These are hard-working individuals that live in the city of Springfield and, you know, this is a change to their lifestyle. Now this is again this is, Buddy, prior to you and I walking into the situation here and dealing with it. So I know Council President wants to speak, but on that bid situation, the other point. Thank you, Mr. Chairman.

BW: Through the chair. Thank you. And that's a concern of mine, we're referring to the meter maids.

SL: That's correct.

BW: That these are meter maids.

SL: That's correct.

BW: And there is no guarantee that once this company comes in that they're going to be able to retain employment. Is there a guarantee?

KB: There's no guarantee, Mr. President. What the contract requires is for the SPA and its vendor to give consideration to the folks that are currently working at the police department if they were to choose to apply. They may not want to apply, but if they were to choose to apply that the company give consideration.

BW: I understand that and you're privatizing is what it... I'll term is "privatizing" and these'd be six Springfield employees that I have no hope that would be employed by the SPA, because I know they work on a bottom line. The pension's not going to be the same; their retirement's not going to be the same, similar to when the custodians and the cafeteria workers... We've gone through this before. And can you...can you tell me the five, the other companies that were involved in this bidding process? You said they were five companies? Do we have any idea who they were, what they were?

KB: I know the names of some of them, I don't know... Some of the vendors didn't make it past the initial stage, because when they submitted their bids, they didn't have the correct paperwork with their bids, so they weren't considered. But I believe the three finalists were Republic Parking (which was the selected vendor), ProPark, and [to SL] What's the other one? Central Parking.

BW: Doesn't ProPark do some of the parking now?

KB: Yeah, they were the pre-existing vendor with the parking authority.

BW: And they bid again.

KL: They were part of the pool of bidders, yes.

BW: Just that would be my...sticking point on this, that I don't have very much confidence that those individuals would be retained. Knowing what past practices are when these entities have taken over city operations, and I will be very hard pressed to vote for this myself today, based upon that. And just being brought up to speed on this at this particular moment, I would certainly would want to hear those people who would be displaced.

SL: I, I understand your point, Mr. President, and yours as well, Mr. Mayor, and as we, as we look at the...our...the control board, from a control board perspective, focusing on the additional efficiencies, the additional \$1.5million to \$2million (I think that's where the recommendation is coming from) is that, by contracting with SPA, whether SPA uses Republic, ProPark or its own employees, and the, as Ms. Breck mentioned, the contract

does require that they provide that opportunity to the employees. I understand what you're saying with regard to benefit changes and possible changes in compensation.

BW: That's always put on the table. Anytime a new entity comes in, they put it on the table "You can work for us, but here's the conditions, here's your retirement, here are your wages." And, usually, it's substantially less than they're working for the city; it's a bottom line operation, and it's just somewhat bothersome. Now is that \$1.5million to \$2million guaranteed?

SL: No, that's based on the historical reduction that we've seen in the last number of years on the number of tickets that are issued. So we've seen over the last few years a very severe drop in the number of on-street parking violation tickets issued. So if we return to our prior average, you'd be looking at a \$1.5million in additional revenue, never mind any additional efficiencies, savings and other benefits that would be provided.

BW: So if the city would continue to do the on-street parking, we couldn't realize the same amount of profit share.

SL: We've gone...over the last few years, there's has been more than a 40% reduction in the number of tickets written, and that does not necessarily relate to an improvement in parking enforcement...*compliance* with parking, because you'll note if you walk down Main Street, you'll see cars...many, many cars illegally parked without tickets. So there has just been simply a severe drop in on-street parking enforcement.

BW: Plus on Main Street, there is on-street parking now that's legal during the day, I think, from the Hippodrome's all the way up to by The Fort, I don't know, somewhere in there.

SL: Recent changes.

BW: Recent changes.

SL: That's right.

BW: Thank you.

RN: Why has there been a drop in collections, issuance of tickets?

SL: We've worked with managers of the police department to improve that, and they've simply been... I think it's been [shrugs] operational issues.

RN: Who oversees the meter maids?

SL: There is...it's a...I believe it's the administrative captain over in the police department.

RN: And you've had discussions with...?

SL: We've had discussions on a number of occasions with the police commissioner, the director of business...former director of business...

RN: Did he have a response?

SL: They have worked to, as I understand it, they have worked to try to improve parking enforcement, but it...

RN: But it hasn't improved.

SL: That's correct.

RN: Well, I think we need to have a further discussion with the leadership of the police department.

DS: And if we...Mr. Chairman, if we could, too, and I...listen, I'm all for with the control b-- efficiency bringing more money in, because that's going to help us get more police on the streets if these, in fact, estimates are going to be close. But from what I understand, a bids that's retained by the prior administration is substantially millions of dollars more. So I think I can speak for Council President Williams that we, we like to see somewhat of a, some type of guarantee if these individuals are going to be displaced, that they should be given opportunities to work. And I still question, I know there's RFQs, RFPs, fine. And sometimes the lowest bid isn't the right thing either, but it's substantially more, what are we getting, the bang for our buck, what are we getting for that? And we're going to keep, you know, hammering away, this is again moving to privatizing as what has happened to our cafeteria workers, custodians, with Educlean on and on. Mayor Nunes, I agree with you; I want efficiency, I want accountability, we want to be able to bring in more money, especially to be utilized in the police department to put more police on the streets, but the clarification on a bid that's substantially millions of dollars more number 2. And number one, that you're talking about displacing six, I believe, Springfield residents out of a jobs; four, that's right.

RN: How many employees will the vendor employ? Do you know?

SL: I don't know. They will be handling both on and off street parking so I think it...I think it will be substantially more than...

RN: It will be more than the four.

SL: Yes.

RN: And you wouldn't know how many are going to deal with the on-street.

SL: [having been shown a document] OK. OK. It appears that they're proposing 26 employees for both on and off street enforcement. There will be shifts, there will be other...as Ms. Breck said, most of them are for...the parking authority handles evening events at the MassMutual Center, etc., etc. so they're...

RN: Currently is that taking place now, events at MassMutual Center?

SL: Yes.

RN: So that they're out there ticketing currently?

SL: No, for the off-street parking, they're in the garage taking tickets.

RN: Right, but on street? No.

SL: I don't believe so.

RN: It's just during the day.

KB: I don't believe there's...

DS: [unintelligible] ...during the day. We go to 6:00pm on-street, Mayor Nunes, 8:00 to 6:00. Certain specific areas are non-emergency parking, certain specific areas are loading dock areas, certain specific areas are restricted areas. I mean it runs the gamut, but usually I think, Kathy, I'm right, 6:00 pretty though we did do some special through the city council on the drag racing issues a handful down at the North End on am parking.

KB: Enforcement such as handicapped parking spaces or...

DS: ...is 24/7, yeah.

KB: ...parking in no parking zones, the police department would potentially or... The police officers can always issue tickets as well, but the parking meter supervisors (which are commonly referred to as the meter maids), they work...I believe they were working until 6:00, maybe even less, but the enforcement potentially went through 6:00pm, but was not done after. After hours if there were events, the police would either ticket or tow if there was a person in a handicapped space or in a no parking zone or something like that.

RN: Do the police do much ticketing?

DS: Yeah, they do ticketing.

[unknown speaker]: What's that?

DS: They do ticketing, yes.

CG: What would the consequence be if we were to roll this over to the next control board meeting? Is the February 1 date problematic?

KB: Well, the parking authority has already awarded the contract to the vendor. I don't know that they've signed a contract, but they've made the award, and they were hoping to get up and running for February 1. So they would very much like, you know, there to be some resolution to this as soon as possible, as close to that time as we could.

DS: I don't want to hold it up. My whole thing I just want clarification of two things. This was done prior to our administration taking office. One, if something can be built in if this goes forward that these employees are given comparable opportunity on pay scale, benefits and pension. Number two, I understand that the bid is...that was accepted...is in the millions of dollars more. [emphatically] I want to know what the reasoning is why. If there's a reason for that, fine. But there's been no re- what is the reason why it's millions of dollars more?

RN: More than what...more than?

DS: More...more than I believe the lowest bidder or price, yeah.

CG: So I think the...the reason I asked you the question is, obviously for Mr. Morton, Mr. Nunes and I, you know we're not...this is, this is new to us as well in terms of just the whole issue. I understand this is a continuing issue. I also want to be respectful to my two new colleagues. I think the question is...I think...could we...what I'm trying to decide in my mind is I don't want to cause...I mean I think it is important to seek, you know, \$1.5million, \$2million more revenue.

DS: No question.

CG: And that's significant, and I think that if we used to be at a different rate, we've gone down... If efforts have been made, as you represented, to talk to the police, to do better, they haven't yielded something, I, you know. I don't want to allow other considerations to continue to defer revenue that could be spent on schools, police and other things that we really need. Having said that, questions are being asked about everything from the contract in process, the Mayor's made clear his concerns, you know, what the nature of the job offers to the four employees are (which I think both of them [DS and BW] have raised) and so the question I have is whether we could have that information in advance of a vote. I'm not necessarily sure how the five...what would vote if, for example, if one choice cost more money, but offered higher benefits or not. So I think we do kind of need that information. I wouldn't want to presume that we should change from the contract, but I also understand that that is something that matters to at least these two gentlemen to my left (not that it doesn't matter to any of us). I'm just saying they specifically asked that it would be I'm sure a different price if we said we offer people jobs at higher rates, perhaps higher rates.

So, but until we have that information, you don't know what you're voting on. So I guess my inclination would be (I don't know if you, anybody else, has a reaction) to say I'd like to try to put this on to the February meeting, recognizing it's on the edge of awkward. And I think we all have to recognize that, in some good faith, I believe, the Springfield Parking Authority has had on-going conversations with you [SL and KB] and with the board, so I think we have some duties to sort of follow through. Having said that, I don't think we have quite enough information to definitely vote with confidence.

DS: Thank you, Mr. Chairman. Again, it might be...all fine, but just need the information on that.

SL: We'll make sure we'll have that.

CG: You know, the savings analysis, I think we need to understand the police attempt to do it...[addresses RN and JM] Feel right to you guys?

RN: Just along the lines of what the Mayor was saying, an analysis of the contracts. If that is the case, if the vendor who was selected is \$1million, \$1.5 more than the low bidder, I'd like to know why.

[unintelligible exchange between DS and RN]

DS: But again, I don't know what the reasoning is.

RN: Right.

CG: Just for my knowledge...the Springfield Parking Authority is a quasi-public?

KB: They're a political subdivision of the commonwealth, Mr. Chairman. They were created by a special act of the legislature back in 1981, I believe. They're an instrumentality of the commonwealth.

CG: And they have a board appointed by?

KB: The Mayor.

DS: W...I... you know....

CG: Not this Mayor

DS: Not this Mayor.

CG: Board, mayor, understand.

DS: We're only in day nine right now.

CG: I'm just trying to understand who's reviewed the contracts and since questions have been raised as a board.

DS: This was done on the prior administration.

RN: Motion to continue the discussion.

CG: I would like to move that and I would add one thing: If there is a serious problem by the February 1 deadline, then I think you need to let us know, and we may need to find a way to have a special meeting, because I do feel we have an obligation to not let, you know, to loose momentum on things that can really bring money in, and I'm perfectly prepared to drive the 7½ hours it takes to get from Boston...no, it's only 1½ hours [laughter] and entertain that, but otherwise if we could roll it to the February meeting.

DS: Thank you, Mr. Chairman.

KB: Thank you.

****MOTION TO CONTINUE PASSES UNANIMOUSLY.**

Putnam High Project Building Permit Fee

SL: Thank you. Joined by Chief Development Officer David Panagore. The next item on the agenda is a...related to the building permit fees for the Putnam Vocational Technical High School. As I'm sure you all know, any...when you go to build a building, renovate a building in certain ways, there is typically a building permit fee, or inspectional fee associated with the work that the city does to ensure that you're complying with the various building codes. In the instance of the Putnam High School project, we have a couple things going on. One, all the dollars that are spent on building inspectional fees are dollars that come out of the building that you can build and reduce the program, reduce the size of the building or the educational opportunities you're able to provide students from that facility. The second piece is when you're dealing with a contractor who would be required to pull those building permit fees, he or she is simply going to mark up your building permit fee. So if it's a \$100. fee, they add 25% mark up, now you're paying \$125., and the money goes from the project to the general fund, comes out of the project and you've paid a 25% mark up.

So what this order before you today would do is waive the building permit fee for the Putnam project. So from a fiscal standpoint in the city, it allows you to put money into the Putnam project and not have to pay yourself the million dollars with markup, but it also provides that if there is sufficient money in the project at the conclusion when you're going for your certificate of occupancy, that the mayor and the city council at that time could assess the building permit fee if it chose to do so. So it would waive the fee for right now and, if when you get to conclusion you have money available, you have the ability to use that to pay the building permit fee if the policy makers at that time chose to do so.

Chief Development Officer David Panagore: And as the funding is 90% reimbursable by the state (the predominant funds would be 90% from the state), this would also allow us to track the costs while at the same time ensuring that most of the money goes into the projects, since I think we all want to build the best high school possible. So that we therefore make sure that the best high school possible at the same time making sure the state basically is able to reimburse the city for any of its costs. Because, of course, it will cost the building department to go out there on a two year basis to review this project.

DS: Mr. Chairman, just and this again about keeping the cost down, change orders aspects construction managers which you know really is a G.C. [general contractor]

DP: It is. It also...Steve may be able to comment on this, but the city is pursuing an owner's representative and a general contractor approach. It really comes down to being able to under the modern methods of having an architect, an owner's representative, our project manager on this (and this is Rita Copolla) and a G.C. coming up with cost estimates on the front end, nailing all that out, making sure you have your owner's representative who separately represents you beyond the architect and the G.C. to be able to provide that level of monitoring and oversight and predict those change orders before they happen, and, as they say in the business "Either kill it before it happens" or make sure that you have sufficient reserves at the end of the project to go back and do the added benefits you want."

DS: This is an important project, Mr. Chairman, as you know and appreciate the board's help on Putnam Vocational. It's a pivotal project for the city of Springfield on that as we move forward and the questions as move forward is about minority representation. You know, there's discussions on PLAs [project labor agreements], etc. on that city residents, apprentice training programs, conduits to the individuals coming out of this training for jobs, so these are all things that have to continue to be on the table. Thank you, Mr. Chairman.

BW: Mr. Chairman, what's the time table for Putnam School, Mr. Lisauskas?

SL: The contract for design was awarded in last month or so I believe, so we are...we're in the desi- we're in the beginning of the design phase now. We'll be conducting various programming activities to determine what's necessary for the school. The school department has obviously been doing a fair amount of planning as to the programs that should be in the school (carpentry and the other related programs). So the educational planning has been on-going for some time. Now we we're getting...now the architects are sitting with the educators to start putting a building around those plans. So we're in the early stages of the design.

BW: Wasn't the school supposed to be completed in July?

SL: Well, the...that is...the state has various regulations, as you know, Councilor. When they put a freeze on the state building list, many communities were able to (that were not

in financial distress) were able to continue on with their projects. Springfield was not in that position, being in a \$41million deficit at that time, so this city had to hold on its construction project. So the MSBA has said [Massachusetts School Building Authority] by July these projects must achieve what they refer to as “substantial completion.” They have, however, indicated that in instances such as the Putnam project, where the city was fiscally unable to proceed with the project, they are willing to consider and grant waivers where appropriate.

BW: Waiver, OK, good. Thank you. That’s my *alma mater*, Mr. Chairman.

CG: Oh, we can’t see any reason we need to improve on it then. Let’s cancel the building. [laughter]

DS: Bud Williams basketball court.

****MOTION PASSES UNANIMOUSLY.**

Approval of \$11M Loan Order

SL: Thank you very much. The next item on the agenda is approval of a loan order, \$11million. The control board approximately a year authorized the issuance of refunding bonds and new money bonds to conduct \$38.5million worth of new capital investment in Springfield. We are now at a point a year later where many of those investments have been made; most of them are on-going if they have not been completed. And there is a need to conduct some...another round of capital investment.

This \$11million would fund the construction of the fire station at White Street (a property that was recently acquired by the city), continue the investment in roads and sidewalks in Springfield, conduct some information technology projects (which we could talk about later, in just a moment), to reimburse the city essentially for the acquisition of Old First Church, finance some additional demolition projects (the city has a special act from a number of years ago and has been aggressively pursuing demolition of derelict buildings) to maintain, upgrade and make other improvements to various municipal buildings (in specific, the Forest Park maintenance facility which is, if we bond this program, if we do it all at once, we can reduce the cost by about *half* so that’s why we’re trying to roll it in here), and then also under another unfunded federal mandate, conduct a study of the Van Horn dam which is, again related to the work we did on the riverfront for storm water work. About probably six months ago or so there was approval from the control board for that; there was about \$1.1million. The federal government is requiring that we conduct a study of the Van Horn dam to make sure that that’s not at risk; it’s rated as a high risk. We need to study it to make sure that it is indeed OK.

So the order before you would authorize us to issue bonds for the \$11million. Essentially what it would do in the immediate term: it would begin the process (compilation of information for the official statement, meeting with rating agencies to get a bond rating review, go before the Massachusetts Finance Oversight Board to get the

approval to issue the bonds from the commonwealth's perspective). So the order before you would trigger a series of administrative actions that would ultimately lead to the issuance of \$11 million in bonds.

DS: Mr. Chairman, if I may, all great with the bonding, I just had a couple questions on Old First Church and before I go any further, I want to a colleague and former control board member City Councilor Jose Tosado is also in the audience besides attorney Pat Markey. On Old First Church, and I realize Old First Church is not only woven into the fabric of Springfield history, it's woven into the fabric of America's history going back. One, as mayor-elect, I was not informed of this decision at all, number one. Number two, by the past administration...number two, anything that's done with Old First Church must be compatible with 31 Elm Street. Number three, I'd love, I'd love to be able to somehow make this a revenue generating or get it on the tax rolls. There's pros and cons. If it's private developers were interested. I know there's historic issues with that. That wasn't looked at at all, and I think we have to clarify for the viewing public that the assessed value was \$800,000. We paid \$900,000. for it (or we're going to pay \$900,000. for it), but I don't think there was an explanation of the personal property indicating the organ, the weather vane, the pews and the clock which are worth substantial amount of money. We want to save the property; we want it compatible; I'd like to see it revenue generating for the city, or how it's going to be cost efficient and if the city decides to move in a direction of needing office space, the arts (which is big as far as our administration moving forward). But there was nothing put out there to see from the whatever the board on private development to see what that would have brought to the table. Obviously, did a historic content on that, but... So I think there's a lot of things, some questions on what exactly are we planning to do or looking to do or if it's going to, how it's going to operate, how it can not only save the historic nature of it for Springfield and the United States. But how is it going to benefit the city of Springfield? Thank you, Mr. Chairman.

BW: Just...I...Mr. Chairman, just the last item which is the Van Horn dam study so the general public understands, that's one of those unfunded federal mandates that you have to do, because of probably what happened in Louisiana, the levee broke and want to make sure our levees are OK, but it's something that we have to do, federally mandated, and there's no reimbursement on that I don't believe.

SL: That's correct.

CG: I know the bond issue is on that, but do you want to give any pub—any update, Mr. Panagore, just to the questions the Mayor's asking? The bond issue is really a financial aspect of that, and we can take a vote in a second, but...

DP: The Mayor's comments are very well taken. That's been the discussion to date. It is our estimate the appraised value...to replace the church, there was originally a fire appraisal to replace the church valued at \$6 million. But the reuse, and one of the reasons we did the appraisal was to look at potential reuse in the market. Given market conditions in the downtown and the vacancy in the existing office space for existing

buildings that are paying taxes (there's a good vacancy rate, somewhere in the 20[%] to north of 20[%]), and so did not see there was a great market for it for its reuse for office space right now. We're also very concerned about the building going dark; right now I think we all I think share the feeling that a shuttered or boarded up First Church was unacceptable, and so we've set aside funds to make sure the building is kept up, maintained, etc. in the short term while we work through that process. We're out to bid right now with 31 Elm; we put into that RFP, this first Church (not as an obligation, but as an opportunity to invite commentary on how to use it.) And we're looking to see how through this city operations we can make it available for those sorts of functions and investigate what can happen in the back which is the parish house for office uses.

DS: Thank you, Mr. Chairman. I think we had to clarify that, because it was questions being asked. I know we're joined by our colleague, Councilor Stebbins also. Thank you, Mr. Chairman.

****MOTION PASSES UNANIMOUSLY.**

Change Agenda for Today's Meeting

RN: Before we get into the presentations, I was just wondering if we can revert from the regular order of business to discussion of Superintendent Selection Process.

CG: Absolutely, and I ask wanted to ask Mr. Lisauskas on the next two presentations, I'm a little concerned of timing. By the way, I failed to say at the beginning and some of the people who should have heard it left, I apologize that for these second straight meeting we were late starting, and I apologize for that rudeness. The importance of executive session on the Merrill Lynch issue means we got to go 'til we get it done, not 'til, you know, the alarm goes off. But in any case, I'm a little concerned, because I don't know at 2:00, you're [BW] supposed to have a city council meeting on the same matter. Are either or both of these deferrable until the next meeting, Mr. Lisauskas?

SL: They are both deferrable, yes.

CG: I don't like to waste the people's time who are prepared, but my feeling is we'd wiser...I don't anticipate an executive session of any...in advance next time.

BW: So moved.

CG: Do you agree with...are you guys comfortable with moving this until next time? OK?

DS: You're going to defer item IX and number X.

CG: Yeah, IX and X, the two presentations, and I apologize to those of you who are prepared for them. They're both ones I think important for us to hear, but you [SL] feel those can wait for us until next time.

SL: They can.

****MOTION PASSES UNANIMOUSLY.**

Discussion of Superintendent Selection Process

CG: So, discussion of the superintendent selection process.

This will also be brief. I think this will be a subject of greater depth at the February meeting. At the last meeting, as you know, we voted authority to have a committee appointed by the chair. I am going to ask for a motion to allow that committee to be either five or seven. I've begun to try to put together a list, and it's not quite clear to me whether five or seven is more sensible. We have begun to research what some of the sort of best practices are in how to conduct these searches these days, have been assured that we are in a good time frame for the traditional annual cycle. I expect within a couple of weeks to be able to get some help to us to look just literally at the process. I think the process is particularly important here. Obviously, the outcome needs to be a great superintendent, but the process is one that needs to be, I think, both aimed at getting the very best candidate possible and aimed at involving the critical local voices that need to be involved both in the selection process and to work in an on-going basis. So I am working towards that end. I don't have any other specific announcement to make on that topic. I don't know if there's any discussion you seek.

DS: I just want to thank you, Mr. Chairman, and very excited to work with you on the educational front. You put your money where your mouth is, and I think we're on the same page that we're looking for someone—he or she—that is going to revolutionize the school system of which my young daughters are part of and send a message not only are going to be educated, but it's going to be a disciplined environment and that we're going to...we'll think out of the box if need be. And it's no detraction to, you know, a hard working teachers and administrators and all people involved. It's just we have to send a message that you feel proud to send your kids to the Springfield public school system which I do. Thank you, Mr. Chairman.

CG: Any other questions or discussion? Certainly be a significant issue for the February board meeting.

BW: So the bulk of the information will be at the next meeting.

CG: By the February board meeting, I would expect to have appointed this...I am going to ask for this motion to allow the committee to be either five or seven. I will have appointed that committee. We will have some form of public presentation on the process and expect to complete this absolutely in time to have a new superintendent on July 1.

DS: Who's going to be on that committee?

BW: Will there be anybody from the control board on that committee, Mr. Chairman?

CG: I would anticipate, yes. I would anticipate that I would appoint myself to chair it.

BW: Executive privilege.

CG: Executive privilege.

DS: Mr. Chairman, as far as the mayor, this is an important call and should be involved in the committee process also.

CG: I haven't had a chance to talk to almost anyone yet about that. I've just begun to assemble those, so I see Mr. Collins here; he's on my list of calls as well, so....

DS: School committee going to be involved also?

CG: These are all important and delicate to the process.

DS: OK.

CG: But I do seek an amendment, because last time I sought and got approval for a committee of five. I'd just like to have the flexibility of five or seven. If I could ask for that amendment last time that I be allowed to appoint a committee of five or seven [inaudible] search.

****MOTION PASSES UNANIMOUSLY.**

CG: Thank you very much.

New Business

DS: Well, don't we have new business?

CG: Oh, I'm sorry, I'm sorry. This is hugely...excuse me...sorry, sorry. It's very important. Under new business, Mr. Morton who is chairing the with regard to the police commissioner have an update for us.

JM: We've established a process for the selection of a police commissioner. As many of you know, the deadline for applications is January 21. We will begin our review of those resumes on the 22nd when we begin to score those resumes by committee, and we'll have a tabulation of that scoring by February 6. Thereafter, we will begin to vet each of the candidates and propose to conduct preliminary interviews during the week of February 25 with interviews of the finalists to be conducted during the week of March 10. The finalist interviews will be public interviews, and those will take place so that the process is open and transparent to the public as well as those who are stakeholders in this process. So that's the process we'll be using moving forward. Any questions, anyone?

RN: That's endorsed by the committee?

JM: Correct.

RN: It has been endorsed by the committee...the five members.

CG: Thank you for the update.

DS: Mr. Chairman, just on public speak-out, there was a couple issues so we can let the viewing audience know administration and control board are working on these issues, and I want to thank Steve also. Steve is looking into the crossing guard situation. He has; we've spoken on that before I was elected, so I want to thank you on that. The Renaissance School: we have had discussions with Dr. Burke, and in the short term, the likelihood of trying to work something out to keep them in place at Van Sickle Middle School, working out some arrangements with different rooming aspects. And I know attorney Councilor Markey was here and we've had a good spirited discussions pertaining to the Mason Square library. Obviously any decision's made not going to make everybody happy, but our major goal and objective is to get Mason Square a library, and I think some of the places that have been mentioned also could help secure certain areas as we continue to move to the State Street redevelopment improvement and could help us with other derelict areas that we have to improve. Thank you, Mr. Chairman.

CG: Any other business?

****MOTION TO ADJOURN PASSES UNANIMOUSLY.**