



JOSEPH A. CURTATONE
MAYOR



CITY OF SOMERVILLE, MASSACHUSETTS COMMUNITY PRESERVATION COMMITTEE

Minutes

January 8, 2014

The first meeting of the Community Preservation Committee (CPC) took place at 7pm in the City Hall third floor conference room at 93 Highland Avenue, Somerville, MA 02143.

Members Present	Chair Michael Capuano, Vice Chair Dick Bauer, Tanya Cafarella, Elizabeth Duclos-Orsello, Michael Fager, Arn Franzen, Ezra Glenn, Courtney Koslow, and Uma Murugan
Members Absent	None
Staff Present	Emily Monea
Others Present	Mayor Joseph A. Curtatone and City Clerk John Long (for a short period each)

Mayor Curtatone began the meeting by welcoming the Committee members, thanking them for their service, and expressing his excitement about the great work they will do for the City of Somerville.

Ms. Monea presented and the Committee discussed the material in the presentation attached at the end of these minutes.

Each committee member introduced him/herself. Mr. Long joined the meeting to swear in the four resident representatives and distribute the Open Meeting Law and Conflict of Interest materials. There was a discussion regarding whether the Committee members are special municipal employees; Ms. Monea stated that she would investigate and report back to the Committee.

The Committee agreed that future meetings will be held the first Wednesday of the month at 7pm and agreed to revisit this schedule in six months.

Mr. Capuano and Mr. Bauer volunteered to serve as chair. The Committee agreed to elect a chair and vice chair. Upon motion from Mr. Bauer, seconded by Mr. Fager, the Committee voted 9-0

to elect Mr. Capuano as chair. Upon motion from Mr. Fager, seconded by the Chair, the Committee voted 8-0-1 to elect Mr. Bauer as vice chair, with Mr. Bauer abstaining.

To comply with the Open Meeting Law, the Committee agreed that all communication outside of Committee meetings should go through Ms. Monea, who will compile all comments and questions to discuss at the next meeting.

The Committee agreed to always include 10 minutes of public comment as an item at the top of the CPC agenda.

The Committee discussed whether there should be a statement or rule on the members' responsibilities regarding public comment on Committee matters. The members agreed to be cautious with press inquiries and to remain considerate of each other and the Committee when speaking in public.

The Committee discussed whether members have to recuse themselves if they have previous involvement with a project being considered by the Committee. There was agreement that the members must recuse themselves if they have a personal conflict of interest, but Ms. Monea will investigate further regarding professional conflicts of interest, which will be relatively common for the ex officio members.

The Committee discussed whether to formally recommend that the Mayor and Board of Aldermen appropriate money into the Community Preservation Fund and agreed to discuss it at the next meeting. Ms. Monea will investigate whether the Mayor would appreciate such a recommendation.

The Committee discussed the projected meeting schedule on slide 23 of the attached presentation. They agreed to treat the training with the Community Preservation Coalition as a supplemental meeting and to keep the regularly scheduled February meeting (February 5, 2014 at 7pm). They discussed whether to present a draft community preservation plan at the public hearing. A final decision was not made, but there was agreement that the key points and themes related to the CPA issue areas in current planning documents should be consolidated to present at the public hearing. Several members expressed interest in holding more than one public hearing and devoting a meeting after the public hearing to digesting resident feedback.

Upon motion from the Chair, seconded by Mr. Fager, the Committee voted 9-0 to adjourn at 9pm.

Somerville CPA



Community Preservation Committee

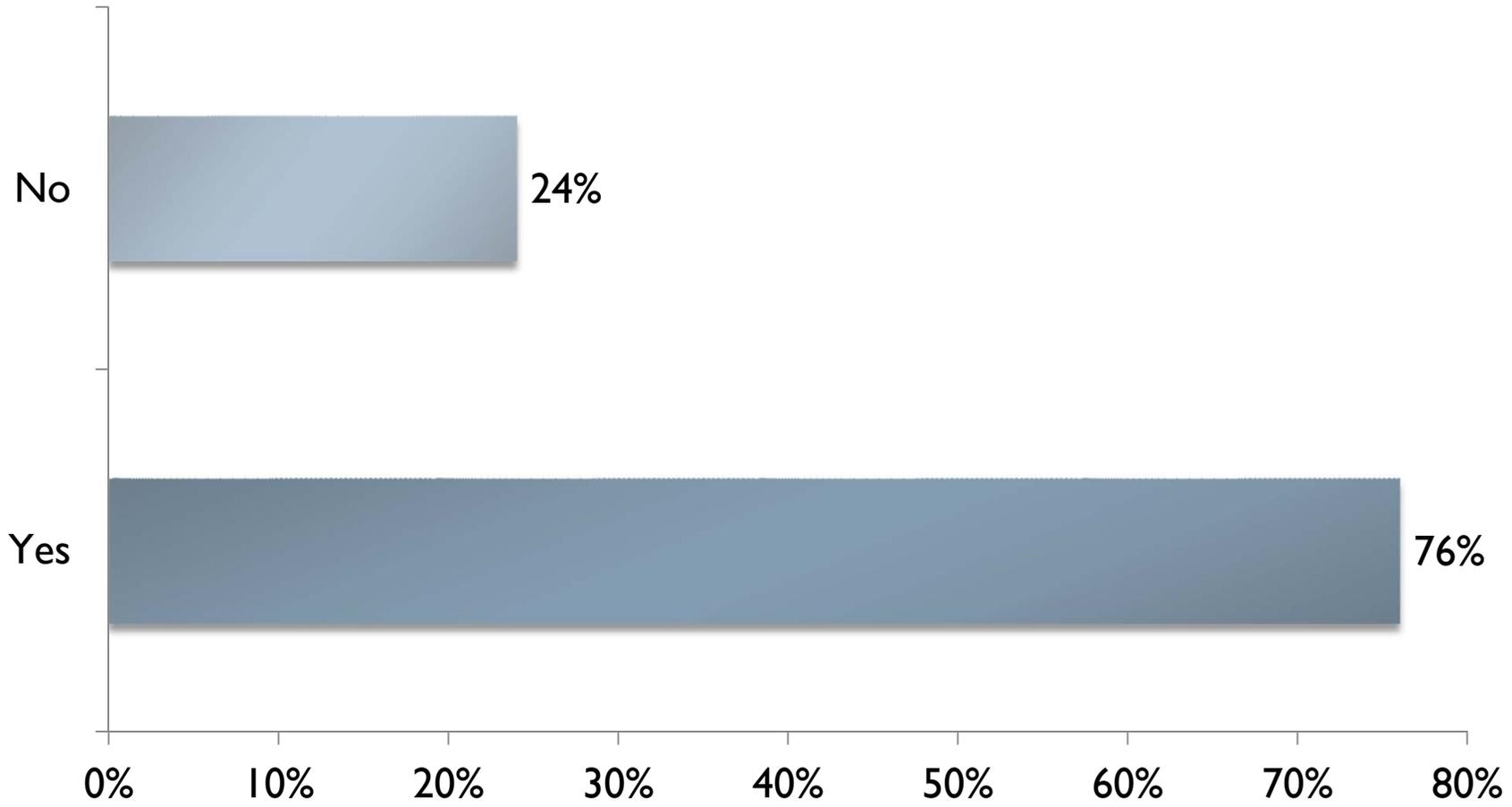
January 8, 2014 (amended 1/17/14)

Agenda

1. Welcome from Mayor Curtatone
2. Introductions & swearing in
3. Procedural rules
 - a. CPA legislation (G.L. c. 44B)
 - b. Somerville CPC ordinance (no. 2013-02)
 - c. Open Meeting Law
 - d. Public Records Law
4. Community Preservation Committee responsibilities
5. Board of Aldermen responsibilities
6. Allowable projects
7. Revenue, spending, and borrowing
8. Next steps
 - a. Meeting schedule
 - b. Website

CPA Passage in Somerville

November 2012 CPA Election Results



Abbreviations

- ▶ BOA = Board of Aldermen
- ▶ CP = community preservation
- ▶ CPA = Community Preservation Act
- ▶ CPC = Community Preservation Committee
- ▶ CPF = Community Preservation Fund

Introductions

Member	Representative From	Initial Term Length
Dick Bauer	Historic Preservation Commission	3 years
Tanya Cafarella (tentative)	Housing Authority	2 years
Michael Capuano	Planning Board	2 years
Elizabeth Duclos-Orsello	General public	2 years
Michael Fager	Conservation Commission	3 years
Arn Franzen	Parks & Open Space Department	1 year
Ezra Glenn	General public	1 year
Courtney Koslow	General public	1 year
Uma Murugan	General public	3 years

Community Preservation Act Manager: Emily Monea

emonea@somervillema.gov

617-625-6600 x2118

Procedural Rules

- ▶ CPA legislation (G.L. c. 44B)
 - ▶ Quorum (majority of members) required to meet
 - ▶ Majority vote of entire committee required for approval of any action
- ▶ Somerville CPC Ordinance (No. 2013-02)
 - ▶ Membership
 - ▶ Term is 3 years but initial terms have been staggered
 - ▶ Members can serve 2 consecutive terms
 - ▶ Vacancies filled by body that designated outgoing member
 - ▶ Chairperson
 - ▶ Elect chairperson annually
 - ▶ Member can serve as chair for no more than 2 consecutive years
 - ▶ Committee may elect other officers, adopt procedural rules and regulations, and establish subcommittees

Procedural Rules, cont'd

- ▶ **Open Meeting Law**

- ▶ Deliberation = “oral or written communication through any medium, including electronic mail, between or among a quorum of a public body on any public business within its jurisdiction.”
- ▶ Notice: agenda must be posted 48 hours in advance
- ▶ Executive session
- ▶ Remote participation
- ▶ Public participation
- ▶ Records:
 - ▶ Minute taking
 - ▶ No vote by secret ballot
- ▶ Public Records Law

CPC Responsibilities

- ▶ **Create community preservation plan**
 - ▶ Study “needs, possibilities, and resources” of Somerville regarding community housing, historic preservation, open space, and outdoor recreation
 - ▶ Hold at least one public meeting
 - ▶ Consult with relevant organizations (ConCom, HPC, Planning Board, SHA, Parks & Open Space, etc.)
 - ▶ Update annually (may be flexibility here)
- ▶ **Make recommendations to BOA on CPF spending**
 - ▶ Establish application process

BOA Responsibilities

- ▶ **Approve expenditures from CPF**
 - ▶ Can approve, reduce, or reject funding amounts recommended by CPC
 - ▶ If reduce or reject funding amount recommended by CPC, CPC has one opportunity to respond (Somerville CPC Ordinance)
 - ▶ Cannot increase recommended funding amounts
 - ▶ Cannot fund a project without CPC recommendation
- ▶ **BOA will most likely refer recommendations to Finance Committee**

Allowable Projects

	Community Housing	Historic Preservation	Open Space	Outdoor Recreation
Acquire	Yes	Yes	Yes	Yes
Create	Yes	No	Yes	Yes
Preserve	Yes	Yes	Yes	Yes
Support	Yes	No	No	No
Rehabilitate and/or Restore	Yes, if acquired or created with CPA funds	Yes	Yes, if acquired or created with CPA funds	Yes

CPF Revenue Sources

▶ Annual

- ▶ Surcharge revenue (1.5% levy on property taxes with exemptions)
- ▶ City appropriation into CPF (discretionary, up to surcharge revenue)
- ▶ State trust fund distribution (starting in FY15)

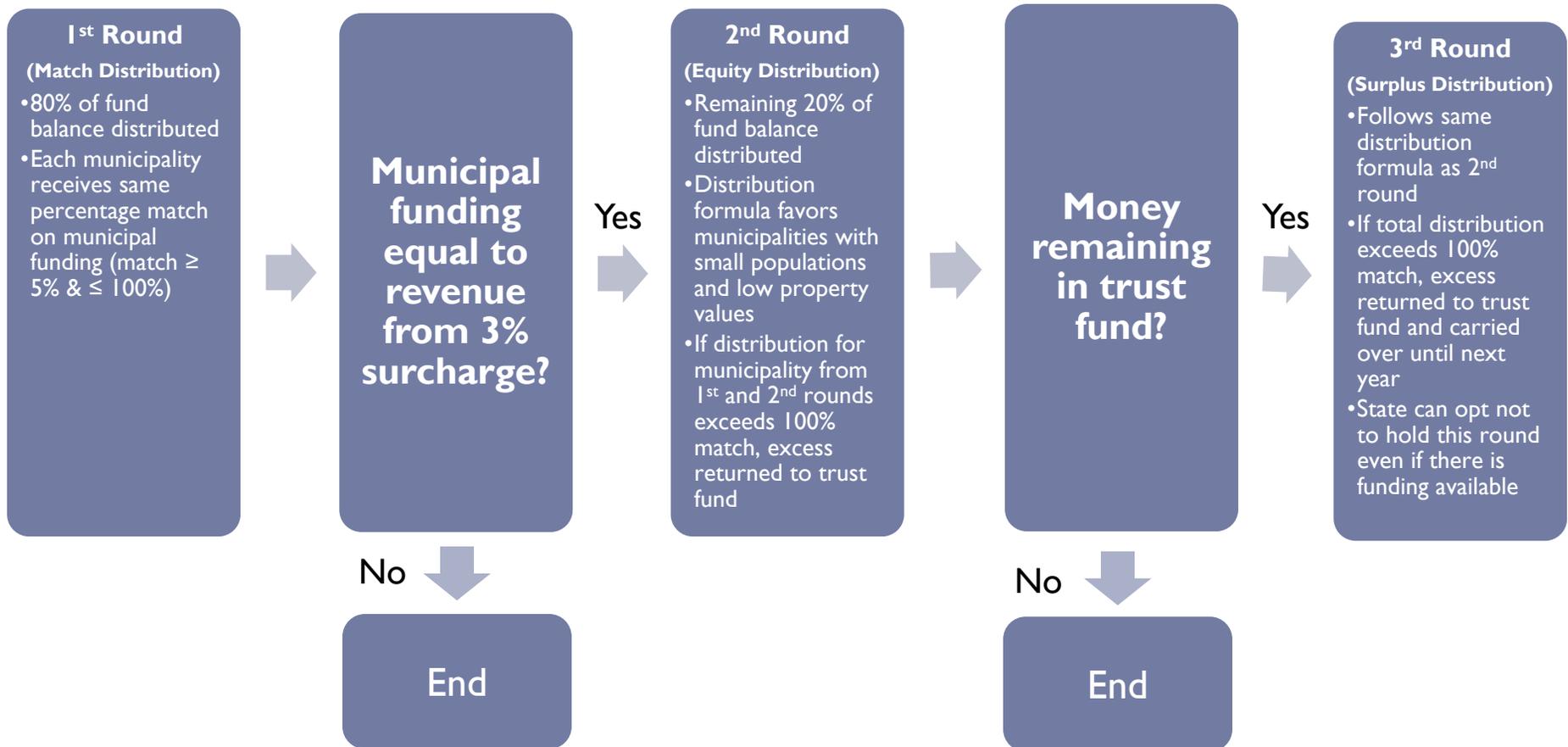
▶ Non-recurring

- ▶ Proceeds from borrowing
- ▶ Proceeds from sale of property acquired with CPA funds
- ▶ Interest
- ▶ Damages and penalties

State Trust Fund Distribution

- ▶ Matches total city funding (surcharge revenue + city appropriation)
 - ▶ Match rate hovered around 26% between FY2010 and FY2013, jumped to 52% in FY2014
- ▶ Three-round process (see next slide/handout)
- ▶ State required to release distribution amount by November 15th each year
- ▶ Somerville will receive first distribution in November 2014

State Trust Fund Distribution, cont'd



Key Spending Rules

- ▶ **Must spend or reserve at least 10% of annual revenue on each of:**
 - ▶ Community housing
 - ▶ Historic resources
 - ▶ Open space (including recreation)
- ▶ **May spend at most 5% of annual revenue on administrative and operating expenses for CPC**

Other Spending Rules

▶ Other allowable uses

- ▶ Principal and interest payments on bonds and notes
- ▶ Borrowing expenses (i.e., preparation, issuance, marketing)
- ▶ Expenses related to property acquisition (i.e., appraisals, closing fees, title searches)
- ▶ Eminent domain damages
- ▶ Matching funds for state or federal grants for CP purposes

▶ Restrictions

- ▶ Cannot replace existing funding
- ▶ No spending on maintenance
- ▶ No spending on artificial turf

FY14 Funding

- ▶ CPC cannot spend FY14 revenue until FY15
- ▶ City will decide whether to appropriate free cash into CPF in late winter/early spring
- ▶ BOA appropriated \$60,000 for administrative expenses during FY14 budget process
 - ▶ Assumed \$1.2 million in annual revenue from surcharge
- ▶ Auditor will reserve required 10% for each of 3 areas at the end of FY14

FY14 Funding, cont'd

FY14	Scenario 1	Scenario 2	Scenario 3
Revenue			
Surcharge Revenue	\$1,150,000	\$1,150,000	\$1,150,000
City appropriation into CPF	\$0	\$575,000	\$1,150,000
Total Revenue	\$1,150,000	\$1,725,000	\$2,300,000
Expenses			
Administrative	\$57,500	\$60,000	\$60,000
Balance	\$1,092,500	\$1,665,000	\$2,240,000
Reserves			
10% for community housing	\$115,000	\$172,500	\$230,000
10% for historic resources	\$115,000	\$172,500	\$230,000
10% for open space (including recreation)	\$115,000	\$172,500	\$230,000
Unrestricted Balance	\$747,500	\$1,147,500	\$1,550,000

Estimated FY15 Revenue

	FY14			FY15 State Distribution					Total FY15 Revenue*
Scenario	Surcharge Revenue	City Appropriation to CPF	Total FY14 City CPA Funding	Round 1 Match %	Round 1 Distribution	Rounds 2 & 3 Distribution	Total Distribution	Total Match %	
1	\$1,150,000	\$0	\$1,150,000	30%	\$343,505	\$0	\$343,505	30%	\$1,493,505
2	\$1,150,000	\$575,000	\$1,725,000	30%	\$515,258	\$0	\$515,258	30%	\$2,240,258
3	\$1,150,000	\$1,150,000	\$2,300,000	30%	\$686,910	\$52,954	\$739,864	32%	\$3,039,864
1a	\$1,150,000	\$0	\$1,150,000	51%	\$586,040	\$0	\$586,040	51%	\$1,736,040
2a	\$1,150,000	\$575,000	\$1,725,000	51%	\$879,060	\$0	\$879,060	51%	\$2,604,060
3a	\$1,150,000	\$1,150,000	\$2,300,000	51%	\$1,172,042	\$92,426	\$1,264,468	55%	\$3,564,468

*Assumes no change in surcharge revenue and city appropriation to CPF between FY2014 and FY2015.

Total Funds Available in FY15

Scenario	FY15 Revenue	FY14 Balance	Total Funds Available in FY15
I	\$1,493,505	\$1,092,500	\$2,586,005
2	\$2,240,258	\$1,665,000	\$3,905,258
3	\$3,039,864	\$2,240,000	\$5,279,864
1a	\$1,736,040	\$1,092,500	\$2,828,540
2a	\$2,604,060	\$1,665,000	\$4,269,060
3a	\$3,564,468	\$2,240,000	\$5,804,468

Borrowing

- ▶ General obligation bonds or notes may be issued for borrowing subject to G.L. c. 44, which governs the issuance of municipal debt
- ▶ Amount borrowed limited to debt service supportable by estimated surcharge revenues and additional revenue appropriated to the CPF by the City over the borrowing term (DOR forthcoming)
- ▶ No restriction on repayment schedule

Borrowing Simulations

Scenario	Annual Debt Service as % of City Revenue*	Annual Debt Service	Supportable Debt	Interest Paid
1	100%	\$1,150,000	\$14,331,542	\$8,668,458
2	100%	\$1,725,000	\$21,497,313	\$13,002,687
3	100%	\$2,300,000	\$28,663,084	\$17,336,916
1a	50%	\$575,000	\$7,165,771	\$4,334,229
2a	50%	\$862,500	\$10,748,656	\$6,501,344
3a	50%	\$1,150,000	\$14,331,542	\$8,668,458
1b	10%	\$115,000	\$1,433,154	\$866,846
2b	10%	\$172,500	\$2,149,731	\$1,300,269
3b	10%	\$230,000	\$2,866,308	\$1,733,692

*City revenue = surcharge revenue + revenue appropriated to CPF by the City. Assumes a 5% interest rate, a 20-year bond term, and no change in City revenue over the borrowing term.

Next Steps

- ▶ **Meeting schedule**

- ▶ Training with Stuart Saginor from Community Preservation Coalition on Wednesday, January 29, 2014 at 6:30pm at Somerville City Hall
- ▶ Regular meetings currently scheduled for first Wednesday of the month at 6:30pm
 - ▶ Hold February meeting? (see next slide)

Projected Meeting Schedule

2014	Meeting
January	Kick-off
February	Training (January 29 th)
March	Plan for public meeting
April	Public meeting(s)
May	Consider draft CPC plan, pre-proposal, application
June	Approve CPC plan, pre-proposal, application
July	Pre-proposals due; review and vote
August	
September	Applications due; review and hold public hearing(s)
October	Review and hold public hearing(s) on applications
November	Vote on applications; send recommendations to BOA
December	BOA reviews recommendations

Website

somer villema.gov/cpa