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“Success,
One Step at a Time”

State of the City
FY'08



A report by
City Manager Jay Ash
to the
Chelsea City Council
&
the Residents of Chelsea
July 1, 2007



CITY OF CHELSEA

Executive Office

City Hall, Room #302, 500 Broadway

Chelsea, Massachusetts 02150

Telephone (617) 466-4100 / Fax (617) 466-4105

Email: jash@chelseama.gov



July 1, 2007

Dear Chelsea City Council and the Residents of Chelsea:

I am pleased to share this State of the City report in its new format with you on behalf of all of City government. We are quite proud of all that is happening in our rejuvenating community, so I am especially thrilled to compile a summary of our many accomplishments and goals in an easier to read report. It has been tough, though, compressing what had taken seventy pages in previous State of the City reports to now catalogue in this report. Nonetheless, on the six pages to follow, I believe you will find exactly why I have entitled this year's report, "Success, One Step at a Time."

Success doesn't happen overnight, or all at once. No, success, in a municipality, is, at its best, slow and steady. Unlike a football team that can measure its success by winning the Super Bowl, there are no Super Bowls in municipal management (although winning the All-America City Award in 1998 certainly felt like a championship). Everyday, new challenges seemingly present themselves, no matter how many victories the City enjoyed the day before. While managing a municipality is like coaching a team whose season never ends, there are certainly milestones one enjoys marching down the field, even though the end zone can never be reached.

Success, One Step at a Time details such a campaign. In each program area, special accomplishments and important goals are revealed. The compilation is representative of the larger set of accomplishments and goals each of the City's departments maintain. In addition to providing insight to the causal observer of City government, these accomplishments and goals help City government to continue to measure its performance and target its future efforts.

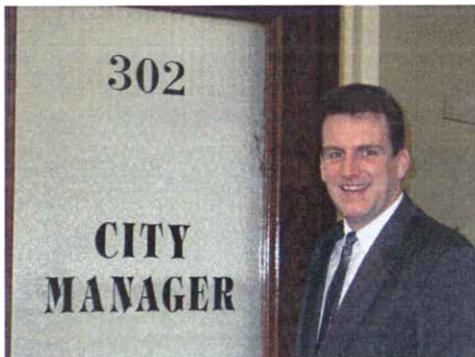
City government operates on a philosophy known as the "Fundamentals," the guiding principles that individually direct actions in the general areas of municipal focus, and collectively represent the commitment City government makes to its many stakeholders. Each of the pages that follow begins with a header describing the Fundamental which is then more detailed on the page below.

This report also follows a fiscal year, in this case the accomplishments of FY'07, which concluded this past June 30th, and the goals for FY'08, which began July 1st. Thus, the report even more closely tracks the annual City budget, and provides a more comprehensive perspective on City actions through budgeting, operations and, ultimately, performance.

I hope you enjoy the report and find it both informative and uplifting. I, among many, am so proud of what we have accomplished and truly excited about the future that lies ahead!

Very truly yours,

Jay Ash
City Manager



Pictured on the front cover, from top to bottom, are: Phases I and II of the Chelsea Residential Overlook Project, set for construction beginning in the fall of 2008; Forbes Park, under construction; Jefferson at Admirals Hill, set for construction beginning in the fall of 2007; Parkside Commons, under construction, and Webster Block, currently in permitting. Collectively, the five projects will help the City meet and exceed its "1,200-unit goal," which has the dual charge of transforming the city's skyline while adding to the City's tax base.

Financial Fundamental - Steadily improving the City's financial condition through balancing budgets and advancing responsible reserve policies that strengthen local government's flexibility to act on pressing needs while protecting against economic downturns that could threaten service delivery and the viability of City government.

FINANCE

Like so many in the state and country, the City is fiscally constrained. Although State Aid remains below historic highs and certain "budget busters," like health insurance costs, continue to place incredible pressures on the bottom line, the City is succeeding, one step at a time, to manage and improve the local budget position.



Councillor Ron Morgese, Fire Chief Chuck Fothergill, City Manager Jay Ash, and Councillor Calvin Brown (l to r) inspect a command car purchased through the CIP.

Award winning financial tools are utilized by the City to address various budget challenges while helping to protect and build-upon core municipal services. Thorough analysis and deft planning has resulted in the City implementing initiatives to grow non-state revenues and contain costs, including those hard to constrain budget busters.

Unlike others, the City has actually been able to shrink deficits without making draconian budget cuts or seeking higher

taxes through a Proposition 2 1/2 override. Development brings the promise of an expanding tax base. Statewide advocacy for health insurance reform highlights the City's efforts on fiscal constraint, while smaller matters, like the conversion of municipal telephones to an Internet-based system, combine to reduce the need for higher spending.

Municipal Cost Comparison Index

The second annual "municipal tax burden" study again confirmed the City's charges to local owner-occupants, on average, are the lowest in the eight city study area.

City	Average Tax Bill	Combined Water & Sewer Bill	Combined Home-owner Costs	% Above Chelsea Cost
A	\$3,478	\$1,177	\$4,655	43.20%
B	\$3,187	\$1,105	\$4,295	32.10%
C	\$2,880	\$1,112	\$3,992	22.80%
D	\$3,093	\$880	\$3,973	22.20%
E	\$2,974	\$933	\$3,907	20.20%
F	\$2,936	\$882	\$3,818	17.40%
G	\$2,836	\$674	\$3,510	7.90%
<i>Average</i>	<i>\$3,055</i>	<i>\$966</i>	<i>\$4,021</i>	<i>23.60%</i>
Chelsea	\$2,249	\$1,002	\$3,251	

Accomplishments

- ⇒ Balanced the FY'06 Budget, the eleventh straight balanced budget, consistent with the City's Five-Year Financial Plan;
- ⇒ Secured a bond rating increase from Standard & Poor's to "A," the City's highest rating perhaps ever;
- ⇒ Awarded GFOA budget and audit awards, and secured an outside audit that, for the eight time in a row, reported no material weaknesses in the City's operations;
- ⇒ Participated on a statewide task force negotiating pending legislation filed by Governor Deval Patrick to allow municipalities to join the State's Group Insurance Commission (GIC) for health insurance, which, if adopted, could save cities as much as 10% or more on local health insurance costs, and
- ⇒ Aided Council in its adoption of the maximum commercial shift and residential exemption permitted by State law, saving the average single family owner-occupant approximately \$1,259 in property taxes for the current tax year.

Goals

- ⇒ Advocate for the Legislature's adoption of the GIC initiative, and, should the initiative be adopted, negotiate with local bargaining units for the implementation of the local option;
- ⇒ Expand the City's revenue base by continuing the focused effort on economic development and by conducting further negotiations with Massport regarding a new financial partnership;
- ⇒ Undertake initial performance evaluations of key personnel;
- ⇒ Review the possibility and potentially enter into discussions on the regionalizing of one or more municipal services, and
- ⇒ Position the City to be considered for another bond rating increase.

Economic Development Fundamental – Further supporting the City through an aggressive agenda that seeks to attract new revenues in a variety of forms, including property tax, auto excise tax, hotel/motel tax and building fees, while also increasing employment opportunities for local residents and emphasizing the conversion of the City's older, heavy industrial base into higher and better uses that broaden the sectors of the economy doing business in the city and lead to an overall improvement of the image of the city, both internally and externally.

ECONOMIC DEVELOPMENT

Plain and simple, balanced budgets require tax base growth. For City officials, though, economic development is about more than just balancing budgets. The City seeks to attract the "right businesses," like biotechnology, at the expense, for example, of retarding heavy trucking companies. A major goal of the City's economic development agenda is to upgrade existing uses to those more appropriate for a livable and viable community today and into the future. The combination of an Administration recognized regionally and nationally for its development work, a City Council that is eager to promote investment and growth, and board and commission members adept at ensuring that residents are not overburdened, especially those in the neighborhoods where developments are taking place, has resulted in a remarkable decade of skyline-changing, budget-supporting development.

The Chelsea Economic Development Agenda

Anchor Projects – emphasizing those areas which provide great promise for large-scale redevelopment, including the Urban Renewal District, Chelsea Commons (the former Parkway Plaza), Mystic Mall and the Waterfront.

Sector Strategy – targeting growth where the city has advantages, including Airport, Downtown Boston Supports, Back Office, Food and Health Care.

TIRE Program – providing state and local tax relief to spur projects consistent with development goals.

1,200-Unit Goal – growing the tax base by encouraging at least that many residential units to be developed by 2010, including a 15% affordability goal.



At the Parkside Commons "Green Breaking" were (l to r): Councillors Leo Robinson, Stan Troisi, Mike McKonnen, Roseann Bongiovanni, Brian Hatleberg, Roy Avellaneda and City Manager Jay Ash.

Accomplishments

- ⇒ Acquired all targeted parcels in the Urban Renewal District and negotiated the first phase of the two phased residential redevelopment,
- ⇒ Replaced the abandoned HP Hood project in the Urban Renewal Districts with a tentative designation that includes Choice Hotels;
- ⇒ Secured Alkermes bio-pharmaceutical expansion over several US and Europe sites;
- ⇒ Resolved numerous Mystic Mall pre-development issues, leading to an updated plan for the new Market Basket and continuing discussions about the remaining build-out of the mall property;
- ⇒ Secured the City's 27th TIRE Program project, Tri-State Signals, and
- ⇒ Advanced the City's 1,200-unit goal by facilitating pre-development action for more than 1,500 units having already or expecting to break ground by the end of FY'08, including Parkside Commons, Forbes and the Box District.

Goals

- ⇒ Complete build-out plan for Chelsea Commons;
- ⇒ Undertake a fifth phase of intensive development activity in the Urban Renewal District;
- ⇒ Advance Market Basket to groundbreaking and remaining Mystic Mall development into design;
- ⇒ Secure developer commitment and a groundbreaking for a Choice Hotel in the Urban Renewal District;
- ⇒ Facilitate permitting and groundbreaking for the Alkermes expansion, and
- ⇒ Promote permitting and breakings for projects in the 1,200-unit goal, including Jefferson at Admirals Hill, Crescent Court and Webster Block.

Public Safety Fundamental – *Constantly improving upon the protection of the public and its property by initiating policy and providing the necessary resources, be it training, manning or equipment, to effectively carry-out the missions of the City's public safety agencies.*

PUBLIC SAFETY

The City's public safety forces are widely respected. Gang officers being asked to instruct at FBI seminars, fire procedures being utilized around the country, an Emergency Operations Center being the model for others and police and fire joining with inspectors on joint inspections are examples of the effectiveness and vision the local forces provide.



City Manager Jay Ash, Rep. Kathi Reinstein (l) and other statewide leaders successfully lobby at the State House for Shannon Grant II. In Chelsea, the grant provides for a second full-time gang officer, increased afterschool enrollment at the Boys & Girls Club, substance abuse prevention work by Chelsea ASAP in the Chelsea Housing Authority developments and a nationally acclaimed transitional employment Program directed by Roca.

the public's contact.

The City has especially committed to both the prevention and enforcement sides of a critical societal issue, that being the prevention of youth violence. Good kids deserve a better chance at a great life, and the Police Department, through prevention and enforcement, is increasingly more involved in promoting that goal. In fact, together with the City Administration, the Police Department is engaged in innovative practices in both disciplines, encouraging better cooperation and collaboration with community based prevention advocates, while simultaneously examining areas such as alternative sentencing circles for local implementation. However, if a young adult, or, for that matter, anyone steps out of line, the City's law enforcement professionals have proven to be adept at conducting traditional policing activities.

Public safety will continue to be a significant City focus. In fact, during difficult budget times, the City's public safety budgets were largely spared, especially during the need to pare-back overall employment. Police have been added and emerging technology has been acquired, including an extensive camera system whose surveillance aided three dozen cases this past year. A new fire chief has ushered in an era of technology advances, including the equipping of apparatus with computers that deliver critical information about the fire ground. ISD inspectors are also becoming similarly equipped. Emergency Operations is expanding to more efficiently address

Accomplishments

- ⇒ Promoted adoption of the Shannon Community Safety Initiative and secured State funding for regional prevention and enforcement activities, including the hiring of a second, full-time gang officer;
- ⇒ Conducted several successful operations, including "Operation Urban Thunder" in the summer months, which resulted in 85 arrests and the citing of 249 motor vehicle violations;
- ⇒ Partnered with Roca to undertake an alternative sentencing circle for youth identified as graffiti "taggers," and
- ⇒ Conducted joint programming with the Attorney General's Auto Fraud Task Force, contributing to a 16% decrease in local auto insurance rates.

Goals

- ⇒ Undertake a second phase of surveillance camera installations, and increase the overall program utility and efficiency;
- ⇒ Implement "hiring/risk management" improvements in the Police and Fire Departments to promote the hiring of better quality candidates;
- ⇒ Develop initiatives to address youth violence, prostitution and the availability of guns on the streets, and
- ⇒ Conduct a summer enforcement campaign to promote continuing public safety and livability in the city's neighborhoods.

Neighborhood Enhancement Fundamental – Continually producing improvements in each and every neighborhood of the city by updating infrastructure through a functioning Capital Improvement Program, cleaning streets, rehabbing housing stock, enhancing open space, eliminating blight and tackling and resolving long-standing problems, including residential and industrial conflicts, that have persisted, in some cases, for decades.

NEIGHBORHOOD ENHANCEMENT

Enhancing the look and livability of each of the city's neighborhoods continues to be a top priority for City officials. From infrastructure updates to eliminating uses that have a negative impact on neighborhoods, there have been many successes. In addition to tens of millions of dollars in roadway and sidewalk improvements, the addition of neighborhood parks and the elimination of blighting properties, the City has taken a great deal of pride in systematically addressing "residential/industrial conflicts," those industrial intrusions in residential neighborhoods that inhibit the quality of life and growth of that neighborhood.

Success does not happen overnight, especially when it comes to neighborhood enhancements. It takes one step at a time. The incremental benefits to a progressive neighborhood enhancement agenda, though, can best be seen over longer periods of time. The Skeleton Building down and the property converted to neighborhood appropriate housing; the Highland Slope abated with a stairway system and landscaping in its place; the illegal trash transfer operation on Crescent Avenue converted into a handsome new home for On-Time Mailing; the repair shop on Hawthorn Street with broken-down vehicles parked all over the neighborhood gone in favor of a well appointed Cataldo Ambulance station, and more than a dozen houses in disrepair throughout the community converted into contributing community residences are among the many signs of the success the City has produced.



Accomplishments

- ⇒ Led efforts that resulted in groundbreakings for housing and related infrastructure in the Box District;
- ⇒ Secured Massport land and a State grant to build a new park on Chestnut and Fifth Streets;
- ⇒ Oversaw the process that resulted in the installation of odor recovery equipment at Chelsea Terminal, and
- ⇒ Hired a part-time quality of life inspector, the City's first.

Goals

- ⇒ Unveil a new program to augment the City's trash and blight programs;
- ⇒ Secure additional odor recovery equipment installation at Boston Hides & Furs;
- ⇒ Follow-up the first odor study with a second to address other odor issues;
- ⇒ Resolve outstanding issues and secure neighborhood and community benefits regarding the Eastern Minerals salt pile.

The most impressive example of the City's efforts to resolve "residential/industrial conflicts" may be the neighborhood enhancement and economic development that is taking place in the Gerrish Avenue area, now dubbed the "Box District." There, in cooperation with Chelsea Neighborhood Housing Services and Mitchell Properties, a new neighborhood is literally being developed out of the remnants of industrial activity that was nearly a century old. The rendering on the left is that of a view of the new affordable and market rate town homes to be built on Library Street.

Community Development Fundamental – Fully encouraging partnerships between the City and its stakeholders in the community's success, including other governmental entities, the business community, non-profit leaders, neighborhood groups and individual residents, in order to support a broad array of programs and initiatives that may or may not be municipally-run, but are all supportive of the City's desire to promote the advancement of its families and individual residents over a broad range of human needs.

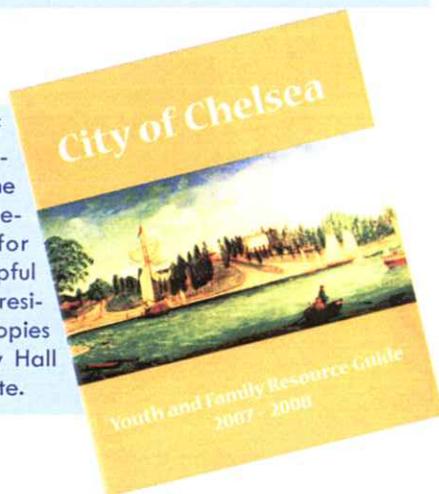
COMMUNITY DEVELOPMENT

Community development, helping individuals and families improve their lives, is a wide reaching concept that captures core municipal responsibilities, like providing quality schools, as well as those upon which progressive municipalities should and do focus, like combating domestic violence. The City dedicates considerable time and resources directly on affordable housing, domestic violence, at-risk youth and education. That focus is done interactively with a number of community organizations and others supporting their causes. Also in partnership with local community agencies, the City seeks to advance the cause of many more issues. Together, the strength of those partnerships, the vision of their leaders and the duration of the focus is allowing for real progress to be achieved. In fact, if not for the work of those community partners, many, many community development issues would not have the extensive responses that do currently exist locally. The leadership of those stakeholders is truly invaluable.



Councillors Paula Barton (l) and Marilyn Vega-Torres (r) are pictured in the technology center in HarborCOV's new building on Washington Avenue.

The Department of Health & Human Services has released the "Youth and Family Resource Guide" for 2007-2008, a helpful go-to guide for all residents of Chelsea. Copies are available in City Hall or on the City's website.



Accomplishments

- ⇒ Facilitated the opening of HarborCOV's 24 units of supportive housing for families who are victims of domestic violence;
- ⇒ Advocated for and participated on a panel developing a comprehensive after-school program for students in grades 7-10;
- ⇒ Assisted in the locating of the Raising a Reader Program at the Library;
- ⇒ Partnered with the School Department and Chelsea Little League to secure lights for the Little League Complex;
- ⇒ Devised a funding strategy to support the development of a second artificial turf field, this one at Highland Park;
- ⇒ Negotiated and secured a \$1.8 million payment into the City's Affordable Housing Trust Fund;
- ⇒ Expanded youth summer employment by securing additional State funding, and
- ⇒ Advocated for the reconstruction of the local DCR Pool, which has broken ground.

Goals

- ⇒ Work with DCR to facilitate the local DCR Pool opening for the summer of '08 and explore a partnership that could lead to expanded evening hours once open;
- ⇒ Conclude the work of the panel drafting the new afterschool initiative and implement the initiative with program partners, including the Hyams Foundation, MGH and the School Department, and
- ⇒ Participate in further planning around the transition of the School Department out of the BU/Chelsea Partnership at the conclusion of the upcoming school year.

Government Fundamental – *Becoming a more open, responsive and responsible municipal government that not only hears the needs of its people, but develops and initiates efforts designed to address those needs in an honest, fair, equitable, accountable and cost-efficient manner, while never sacrificing good government for the benefit of those whose goals run counter to that of a “pro-Chelsea” agenda.*

GOVERNMENT

The City’s most basic tenet is “openness and honesty.” City leaders refuse to allow for a return to a period when politics, in its worst incarnation, ruled the day. Fortunately, that day is far removed.

Naturally, not every City decision enjoys universal support, but it is reasonable to expect that every decision made is done so to promote the public’s interest. Hiring is overseen by departments, not the corner office. Sidewalks are repaired based on need, not favoritism. Negotiations are based upon the City’s budget, not election schedules. The result of City actions has been and will continue to be an enhancing of confidence in the integrity of local government.

That achieved, staff is in place and producing impressive results for residents and businesses, while more are answering the City’s call to service and becoming involved in making the community a better place for one and all. Trust and collaboration has led to success on a single pro-Chelsea agenda. Past success shows that anything is possible, and the community is capitalizing on that realization in unparalleled and heralded ways.



Common Cause Director Pam Wilmot presents Rep. Gene O’Flaherty (l) and City Manager Jay Ash (r) with Common Cause’s “E-Government Award” for the City achieving six key criteria to promote openness and access to municipal documents on the web.

www.chelseama.gov



The City is well served by many outstanding staffers. Recognized for their special contributions and achievements in FY’07 were: 1st Quarter - Katherine Sacca, DPW; 2nd Quarter - Joseph Cooney, ISD; 3rd Quarter - Dennis Cooper, Chelsea Library, and 4th Quarter - Julie Nguyen, Health & Human Services.

Accomplishments

- ⇒ Established an on-call translation service to connect Spanish speakers residents to important board and commission meetings;
- ⇒ Added job opening posting to websites, including one targeted to minority candidates, and
- ⇒ Initiated a school administration transition plan for the post, BU/Chelsea Partnership era.

Goals

- ⇒ Develop a plan to undertake a community visioning process in FY’09;
- ⇒ Undertake a police chief search with extensive community input, and
- ⇒ Restart “Chelsea Participates!” to welcome new residents to get involved in community leadership roles.

Following the “Chelsea Way”

The City is leading statewide efforts to:

- ⇒ **Reduce health insurance costs** by joint purchasing with the State;
- ⇒ Initiate a Small & Middle Cities Program to **accelerate rejuvenation in more than four dozen cities** in the state;
- ⇒ **Build a new public transit route**, the Urban Ring, around Boston’s core and including Chelsea;
- ⇒ Expand the Community Preservation Act to **advance more housing, open space, and historic projects** in the state;
- ⇒ Reauthorize the Shannon Community Safety Initiative to **fund prevention and enforcement programs aimed at youth** across the State;
- ⇒ Develop a program to **improve job skills and placements** of hard-to-employee youth, and
- ⇒ **Promote the region’s future** through 2030 by planning and implementing MetroFuture.