

REGULAR MEETING OF THE CITY COUNCIL, MAY 28, 2013

Meeting was called to order at 7:30 P.M.

Attendance was taken by a roll call vote; all members were present.

A motion was made and seconded to go into Executive Session under the provisions of Chapter 39 Section 23B of the Massachusetts General Law. Council President Chalifoux Zephir stated that we are going into executive session relative to pending litigation and an open session would have a detrimental effect to the position of the City. Vt. 8 "yeas" and 1 "nay"; Councillor Salvatelli opposed. President Chalifoux Zephir stated that the regular meeting will reconvene at the conclusion of executive session.

Meeting reconvened at 9:21 P.M.

The following COMMUNICATION was received with an EMERGENCY PREAMBLE and referred to the FINANCE COMMITTEE. Vt. 8 "yeas" and 1 "nay", Councillor Nickel opposed. Upon recommendation of the FINANCE COMMITTEE the following COMMUNICATION was GRANTED and ORDERED. Vt. 8 "yeas" and 1 "nay", Councillor Cormier opposed.

C-120 Relative to the appropriation of \$8,000.00 to the Cemetery Salary & Wages Account; same to be transferred from the Cemetery Perpetual Care Income Account.

ORDERED: - that the sum of Eight Thousand Dollars (\$8,000.00) to the Cemetery Salary & Wages Account; same to be transferred from the Cemetery Perpetual Care Income Account.

REGULAR MEETING OF THE CITY COUNCIL, MAY 28, 2013, continued

The following COMMUNICATIONS were received, referred to the FINANCE COMMITTEE and given REGULAR COURSE.

- C-121 Relative to the appropriation of \$58,731.00 to the Cemetery Salary & Wages Account; same to be transferred from the Cemetery Perpetual Care Income Account.
- C-122 Relative to the appropriation of \$1,200.00 to the Cemetery Expense Account; same to be transferred from the Excess and Deficiency Account.
- C-123 Relative to the appropriation of \$1,100.00 to the City Clerk Expense Account; same to be transferred from the Excess and Deficiency Account.
- C-124 Relative to the appropriation of \$58,000.00 to the City Solicitor Expense Account; same to be transferred from the Excess and Deficiency Account.
- C-125 Relative to the appropriation of \$50,000.00 to the Highway Department Expense Account; same to be transferred from the Excess and Deficiency Account.
- C-126 Relative to the appropriation of \$250.00 to the Library Salary & Wages Account; same to be transferred from the Library Salary & Wages Account.
- C-127 Relative to the appropriation of \$210,000.00 to the Snow & Ice Expense Account; same to be transferred from the Excess & Deficiency Account.
- C-128 Relative to the appropriation of \$16,722.00 to the Police Department Expense Account; same to be transferred from the Police Salary & Wages Account.

The following PETITION was received and referred to the CITY PROPERTY COMMITTEE and given REGULAR COURSE.

- 74-13 Richard M. Marchand, Event Coordinator for the Johnny Appleseed Festival: Amend the dates for the 20th Annual Johnny Appleseed Arts and Cultural Festival from September 21, 2013 with a rain date of September 28, 2013 to September 28, 2013 with a rain date of October 5, 2013.

The following PETITION was received and referred to the WAYS & MEANS COMMITTEE and given REGULAR COURSE.

- 75-13 Christopher Nikolow: Grant a Second Hand Dealers License for Ashlyn & Co. Fine Jewelry located at 3 Park Street.

The following APPOINTMENT was received, referred to the WAYS & MEANS COMMITTEE and given REGULAR COURSE.

Cultural Commission– Bonnie Hathaway– term to expire April 15, 2016

The following RE-APPOINTMENTS were received, referred to the WAYS & MEANS COMMITTEE and given REGULAR COURSE.

Cable TV Advisory Board - Anthony DeBenedetto– term to expire April 15, 2016

Trust Fund Commission - Settimo Firmani– term to expire April 15, 2016

Office of Emergency Management – Auxiliary Officer - Matthew Perkins

Councillor Robert Salvatelli, Chairman of the Finance Committee, read the Financial Report for the City into the record. Account balances are as follows:

Excess and Deficiency Account (Free Cash)	\$ 1,817,205.00
Stabilization Account	\$12,539,089.72

Upon recommendation of the FINANCE COMMITTEE, the following COMMUNICATION was GRANTED and ORDERED. Vt. 9 “yeas”

- C-115 Relative to the appropriation of \$25,000.00 to the Election & Registration Expense Account; same to be transferred from the Excess and Deficiency Account.

ORDERED: - That the sum of Twenty Five Thousand Dollars (\$25,000.00) be appropriated to the Election & Registration Expense Account; same to be transferred from the Excess and Deficiency Account.

RE: Senate Special Election to be held on June 25, 2013

REGULAR MEETING OF THE CITY COUNCIL, MAY 28, 2013, continued

Upon request of the FINANCE COMMITTEE, the following COMMUNICATION was given FURTHER TIME. Vt. 9 “yeas”

C-116 Relative to the appropriation of \$3,000.00 to the Recreation Commission Expense Account; same to be transferred from the Open Space Donation Account.

Upon recommendation of the FINANCE COMMITTEE, the following COMMUNICATION was GRANTED and ORDERED. Vt. 9 “yeas”

C-117 Relative to the appropriation of \$170,000.00 to the Highway Capital Outlay Expense Account; same to be transferred from the Excess and Deficiency Account.

ORDERED: - that the sum of One Hundred Seventy Thousand Dollars (\$170,000.00) be appropriated to the Highway Capital Outlay Expense Account; same to be transferred from the Excess and Deficiency Account.

RE: Street Sweeper Replacement

Upon request of the FINANCE COMMITTEE, the following COMMUNICATION was given FURTHER TIME. Vt. 9 “yeas”

C-118 Relative to the appropriation of \$200,000.00 to the I.T.T.F. Expense Account; same to be transferred from the Excess and Deficiency Account.

Upon recommendation of the FINANCE COMMITTEE, the following COMMUNICATION was GRANTED and ORDERED. Vt. 7 “yeas”, Councillors Cormier and Nickel abstained due to a possible conflict of interest.

C-119 Relative to the appropriation of \$75,000.00 to the Fire Department Overtime Account; same to be transferred from the Fire Department Salary & Wages Account.

ORDERED: - that the sum of Seventy Five Thousand Dollars (\$75,000.00) be appropriated to the Fire Department Overtime Account; same to be transferred from the Fire Department Salary & Wages Account.

Upon recommendation of the WAYS & MEANS COMMITTEE, the following PETITIONS were GRANTED. Vt. 9/0

67-13 Belden Jewelers: Renew the Second Hand Dealer’s License for the premises at 100 Commercial Road.

68- 13 Best Buy Stores, LP: Renew the Secondhand Dealer’s License for the premises at 33 Orchard Hill Park Drive.

69-13 Kay Jewelers #1285: Renew the Secondhand Dealer’s License for the premises at 100 Commercial Road.

70-13 Donnie Do: Renew the Second Hand Dealer’s License to Sam’s located at 710 N. Main Street for the purpose of buying scrap metal.

71-13 Joanne Atwood: Renew the Secondhand Dealer’s License for the premises located at 100 Commercial Road.

Upon recommendation of the WAYS & MEANS COMMITTEE, the following PETITION was GRANTED. Vt. 8/0, Councillor Dombrowski abstained due to a possible conflict of interest.

72-13 Michael Fusco: Renew the License for two pool tables at Jake’s Pub Inc. d/b/a Hot Shots located at 1293 Main Street.

Upon recommendation of the WAYS & MEANS COMMITTEE, the following PETITION was GRANTED. Vt. 9/0

73-13 Albert Mason: Renew the License for seven pool tables and twenty four bowling alleys at Mason’s Bowling Center located at 640 R. North Main Street.

Upon recommendation of the WAYS & MEANS COMMITTEE, the following APPOINTMENTS were CONFIRMED. Vt. 9 “yeas”

Registrar of Voters – David Chester – term to expire April 15, 2015

Council on Aging – Patricia C. Vallee – term to expire April 15, 2016

Upon recommendation of the WAYS & MEANS COMMITTEE, the following RE-APPOINTMENTS were CONFIRMED. Vt. 9 “yeas”

Sealer of Weights & Measurers – Joseph Quinn – term to expire April 15, 2014

Upon recommendation of the WAYS & MEANS COMMITTEE, the following ELECTION ORDER was CONFIRMED. Vt. 9 “yeas:

REGULAR MEETING OF THE CITY COUNCIL, MAY 28, 2013, continued

CITY OF LEOMINSTER
SPECIAL STATE ELECTION
ELECTION ORDER
JUNE 25, 2013

ORDERED:-that the City Clerk be and she hereby is authorized and directed to notify and warn the voters of the City of Leominster to assemble in their respective polling places in the several wards and precincts of the City, designated by the City Council as follows:

WARD 1A	SKY VIEW MIDDLE SCHOOL 500 KENNEDY WAY
WARD 1B	SKY VIEW MIDDLE SCHOOL 500 KENNEDY WAY
WARD 1C	SKY VIEW MIDDLE SCHOOL 500 KENNEDY WAY
WARD 2A	SOUTHEAST ELEMENTARY SCHOOL 95 VISCOLOID AVENUE
WARD 2B	SOUTHEAST ELEMENTARY SCHOOL 95 VISCOLOID AVENUE
WARD 2C	SOUTHEAST ELEMENTARY SCHOOL 95 VISCOLOID AVENUE
WARD 3A	FRATERNAL ORDER OF EAGLES HALL 456 LITCHFIELD STREET
WARD 3B	FRATERNAL ORDER OF EAGLES HALL 456 LITCHFIELD STREET
WARD 3C	FRATERNAL ORDER OF EAGLES HALL 456 LITCHFIELD STREET
WARD 4A	SENIOR CITIZEN DROP-IN CENTER 5 POND STREET
WARD 4B	LEOMINSTER VETERANS' QUARTERS 100 WEST STREET
WARD 4C	LEOMINSTER VETERANS' QUARTERS 100 WEST STREET
WARD 5A	AUDITORIUM, CITY HALL 25 WEST STREET
WARD 5B	AUDITORIUM, CITY HALL 25 WEST STREET
WARD 5C	FIRST BAPTIST CHURCH OF LEOMINSTER 23 WEST STREET

On Tuesday, June 25, 2013 then and there for the purpose of giving in their votes for the election of candidates for the following office: Senator in Congress for the Commonwealth.

And it is further

ORDERED:- that the polls shall be opened at 7:00 A.M. and closed at 8:00 P.M. and that notice shall be given by publication of this order in a conspicuous place in the office of the City Clerk.

Per Order Leominster City Council
True Copy Attest:
Lynn A. Bouchard, City Clerk

Upon recommendation of the SMALL BUSINESS AND ECONOMICAL DEVELOPMENT COMMITTEE, the following RESOLUTION was ADOPTED. Vt. 9 "yeas"

REGULAR MEETING OF THE CITY COUNCIL, MAY 28, 2013, continued

RESOLUTION

**AFFORDABLE INTERIOR SYSTEMS (AIS) HOLDINGS CORPORATION
a/k/a Affordable Interior Systems LLC
and
CALARE PROPERTIES, INC.**

SPECIAL TAX ASSESSMENT (STA)

WHEREAS, the proposed certified project is located at 25 Tucker Drive, Leominster MA which is within the boundaries of the 25 Tucker Drive Economic Opportunity Area.

WHEREAS, the City of Leominster has agreed to offer AIS Holdings Corporation and Calare Properties, Inc., a Special Tax Assessment. Said Agreement is hereby approved by the City Council and the Special Tax Assessment Plan is incorporated by reference herein;

WHEREAS, AIS Holdings Corporation plans to invest thirteen million dollars (\$13M) over an estimated eight (8) year period, retain for transfer to the City of Leominster three hundred and sixty (360) permanent full-time jobs to include a job retention timeline of three hundred and twenty (320) positions transferred upon occupying the building and additional forty (40) jobs transferred when their Hudson MA location is closed by the end of 2017; further create an additional fifteen (15) new permanent full-time jobs within the initial twenty-four (24) months (also known as by completion of year 2), with an additional ten (10) new permanent full-time jobs created by thirty-six (36) months (also known as by completion of year 3) for a total of new job creation of twenty-five (25) to qualified residents of the City of Leominster first and of the Northern Worcester County Economic Target Area (ETA).

WHEREAS, the City Council of the City of Leominster strongly supports increased economic development to provide additional jobs for City residents, and industrial activity within the City to promote and develop a healthy economy and stronger tax base;

NOW, THEREFORE, BE IT RESOLVED that the City Council of Leominster approves the proposal by AIS Holdings Corporation for acceptance as a certified project confirms that the certified project proposal meets the requirements of Massachusetts General Laws Chapter 23A Section 3F and the applicable regulations at 402 C.M.R. 2.00, and authorizes submission of same to the Massachusetts Economic Assistance Coordinating Council for its approval.

FURTHER, the City Council of the City of Leominster authorizes the Mayor to adopt a Special Tax Assessment Plan and Agreement between the City of Leominster and AIS Holdings Corporation and Calare Properties, Inc. Said Agreement calls for an exemption from taxation specifically on the full assessed value of the property and improvements thereon as follows in the table shown below. Based upon current year (FY13) tax rate with an estimated project investment of \$13,000,000 the estimated special tax assessment savings to AIS Holdings Corporation in grand total over thirteen (13) years is an estimated \$929,419 excluding the varying tax rate and valuation of future years.

STA Year	Fiscal Year Duration	Tax Exemption
Year 1:	July 1, 2014-June 30, 2015	100% of the real estate taxes
Year 2:	July 1, 2015-June 30, 2016	75% of the real estate taxes
Year 3:	July 1, 2016-June 30, 2017	50% of the real estate taxes
Year 4:	July 1, 2017-June 30, 2018	50% of the real estate taxes
Year 5:	July 1, 2018-June 30, 2019	25% of the real estate taxes
Year 6:	July 1, 2019-June 30, 2020	25% of the real estate taxes
Year 7:	July 1, 2020-June 30, 2021	15% of the real estate taxes
Year 8:	July 1, 2021-June 30, 2022	15% of the real estate taxes
Year 9:	July 1, 2022-June 30, 2023	5% of the real estate taxes
Year 10:	July 1, 2023-June 30, 2024	5% of the real estate taxes
Year 11:	July 1, 2024-June 30, 2025	5% of the real estate taxes
Year 12:	July 1, 2025-June 30, 2026	5% of the real estate taxes
Year 13:	July 1, 2026-June 30, 2027	5% of the real estate taxes

In accordance with the requirements and regulations established which govern the implementation of such Special Tax Assessment, the agreement will be in effect as of Fiscal Year 2014 (July 1, 2014) and will extend through Fiscal Year 2027 (June 30, 2027).

ADOPTED BY THE LEOMINSTER CITY COUNCIL

Date: May 28, 2013

/s/ Lynn A. Bouchard, City Clerk

/s/ Dean J. Mazarella, Mayor

Upon recommendation of the SMALL BUSINESS AND ECONOMICAL DEVELOPMENT COMMITTEE, the following RESOLUTION was ADOPTED. Vt. 8 "yeas", Councillor Rowlands abstained due to a possible conflict of interest.

REGULAR MEETING OF THE CITY COUNCIL, MAY 28, 2013, continued

**RESOLUTION
DESIGNATION OF
175 PIONEER DRIVE
ECONOMIC OPPORTUNITY AREA**

WHEREAS, Chapter 23A, Sections 3A through F as amended by Chapter 19 of the Acts of 1993, establishes the Economic Development Incentive Program (EDIP);

WHEREAS, the EDIP is designed to promote increased business development and expansion in Economic Target Area (ETAs) and Economic Opportunity Areas (EOAs) of the Commonwealth of Massachusetts;

WHEREAS, the City of Leominster is part of the North Worcester County Economic Target Area (ETA);

WHEREAS, the City Council of the City of Leominster strongly supports increased economic development to provide additional jobs for City residents, and industrial activity within the City to promote and develop a healthy economy and stronger tax base;

NOW, THEREFORE, BE IT RESOLVED by the City Council of Leominster that;

1. The City Council hereby votes in support of the submission of the City of Leominster Economic Opportunity Area application to the Massachusetts Economic Assistance Coordinating Council;
2. The City votes in support of the designation of the following Economic Opportunity Area through the approval from the Commonwealth of Massachusetts;

175 Pioneer Drive EOA as defined by the City of Leominster's Assessor's Map 463, Lot 7A.

The parcel of land located at 175 Pioneer Drive, Leominster, Massachusetts, containing 11.15 acres of industrial land

3. The City Council hereby votes in support to offer a tax increment financing for a Certified Project located in the Economic Opportunity Area of 175 Pioneer Drive.

ADOPTED BY THE LEOMINSTER CITY COUNCIL

Date: May 28, 2013

/s/ Lynn A. Bouchard, City Clerk

/s/ Dean J. Mazzarella, Mayor

Upon recommendation of the SMALL BUSINESS AND ECONOMICAL DEVELOPMENT COMMITTEE, the following RESOLUTION was ADOPTED. Vt. 8 "yeas" Councillor Rowlands abstained due to a possible conflict of interest.

**RESOLUTION
DESIGNATION OF
175 PIONEER DRIVE – F & M TOOL & PLASTICS, INC.
TAX INCENTIVE FINANCING (TIF) PROGRAM**

WHEREAS, the proposed Certified Project is located 175 Pioneer Drive, Leominster MA which is within the boundaries of the designated 175 Pioneer – F & M Tool Economic Opportunity Area.

WHEREAS, the City of Leominster has agreed to offer F & M Tool & Plastics, Inc., a Tax Increment Financing (TIF) Agreement. Said Agreement is hereby approved by the City Council and the Tax Incrementing Financing Plan is incorporated by reference herein;

WHEREAS, F & M Tool & Plastics, Inc. will invest \$5,150,000 for real estate purchase and \$305,000 for taxable capital improvements over a twelve (12) month period, and create thirty-six (36) permanent full-time jobs potentially for residents of the City and of the North Worcester County Economic Target Area (ETA) over a period of sixty (60) months.

WHEREAS, the City Council of the City of Leominster strongly supports increased economic development to provide additional jobs for City residents, and industrial activity within the City to promote and develop a healthy economy and stronger tax base;

NOW, THEREFORE, BE IT RESOLVED that the City Council of Leominster supports the Certified Project application for F & M Tool & Plastics, Inc., and forwards said application for certification to the Massachusetts Economic Assistance Coordinating Council for its approval and endorsement.

FURTHER, the City Council of the City of Leominster authorizes the Mayor to enter into a Tax Increment Financing Agreement between the City of Leominster and F & M Tool & Plastics, Inc. Said agreement will provide for an exemption on property taxes based on the growth portion in assess valuation of the property as follows:

PERSONAL PROPERTY

With respect to personal property, the Tax Increment Financing exemption formula will NOT apply to all of the personal property owned and operated by F & M Tool & Plastics, Inc. located at 175 Pioneer Drive / Assessor's Map 463, Parcel 7A, as the company is designated as a Massachusetts manufacturer.

REGULAR MEETING OF THE CITY COUNCIL, MAY 28, 2013, continued

The City of Leominster has confirmed with the Department of Revenue that F & M Tool & Plastics, Inc. is a designated manufacturer in the State of Massachusetts. Therefore, personal property tax is 100% exempt by having manufacturing status, also referred to as "M" designation. There is no additional or further exemption offered for personal property tax by the City of Leominster. This includes the exemption of their planned expenditure by F & M Tool & Plastics, Inc. of \$4,000,000 to \$7,000,000 of manufacturing machinery.

REAL ESTATE

The Agreement calls for an exemption from taxation specifically on the increased value of real estate property as a result of the redevelopment as follows in the table shown below. Based upon current year (FY13) tax rate with an estimated additional increased assessed value of \$305,000 the savings in Year 1 of the Tax Increment Finance (TIF) program would be is \$5,477.80 per year given the varying tax rate each year for a ten (10) duration on a sliding downward scale (as detailed below). The real estate tax savings for the incremental increase in value of investment totals a tax savings of \$30,127.90 for the entire duration of the TIF agreement.

The offer is from 100% abatement in Year 1 on a sliding downward scale of -10% per year until year ten (10) on the incremental increase in property value assessment only. The table of tax abatement is as follows for the real estate tax exemption on the incremental increase of investment for \$305,000.

Year 1 / FY15	July 1, 2014-June 30, 2015	100% of the increment	\$5,477.80 Savings
Year 2 / FY16	July 1, 2015-June 30, 2016	90% of the increment	\$4,930.02 Savings
Year 3 / FY17	July 1, 2016-June 30, 2017	80% of the increment	\$4,382.24 Savings
Year 4 / FY18	July 1, 2017-June 30, 2018	70% of the increment	\$3,834.46 Savings
Year 5 / FY19	July 1, 2018-June 30, 2019	60% of the increment	\$3,286.68 Savings
Year 6 / FY20	July 1, 2019-June 30, 2020	50% of the increment	\$2,738.90 Savings
Year 7 / FY21	July 1, 2020-June 30, 2021	40% of the increment	\$2,191.12 Savings
Year 8 / FY22	July 1, 2021-June 30, 2022	30% of the increment	\$1,643.34 Savings
Year 9 / FY23	July 1, 2022-June 30, 2023	20% of the increment	\$1,095.56 Savings
Year 10 / FY24	July 1, 2023-June 30, 2024	10% of the increment	\$ 547.78 Savings

Pursuant to 402 CMR Economic Assistance Coordinating Council, this Agreement shall be binding upon subsequent owners of the property located at 175 Pioneer Drive, Leominster, MA 01453. Upon failure of F & M Tool & Plastics, Inc. fulfillment of all material obligations specified in Section 3 under this Agreement, the City of Leominster reserves the right to apply to the Economic Assistance Coordinating Council for decertification of the project. This Agreement is subject to MGLc23A, §§ 3A thru 3F inclusive, MGLc.40, § 59; MGLc.6A.

In accordance with the requirements and regulations established which govern the implementation of such Tax Increment Financing Agreements. The agreement will be in effect as of Fiscal Year 2015 (July 1, 2014) and will extend for ten (10) years through Fiscal Year 2024 (June 30, 2024).

ADOPTED BY THE LEOMINSTER CITY COUNCIL

Date: May 28, 2013

/s/ Lynn A. Bouchard, City Clerk

/s/ Dean J. Mazarella, Mayor

Under New Business, a motion was made and seconded to request the Mayor, the Treasurer and someone from the Cemetery Commission or Department come down to the next City Council meeting to discuss the policy as to how the money in the Perpetual Care Account is spent. The motion also included a request to the Comptroller to come down to discuss the Fire Department overtime. Vt. 9/0

Councillor Marchand, Chair of the WAYS & MEANS COMMITTEE, moved that the following APPOINTMENT be removed from the table and placed on the calendar for action. It was so voted. 8/1, Councillor Dombrowski opposed. Upon reconsideration of the vote the APPOINTMENT was removed from the table by a vote of 9/0. Committee reports as follows: FURTHER TIME. Vt. 9/0

Peter Niall - Director of Inspections – term to expire April 15, 2016

Councillor Marchand said he has two requests to go to John Giorgio at Kopelman & Paige

1. Reconsideration for the recommendation based on the fact the Ways & Means Committee believes that tabling the appointment is an action and tabled for study to qualify the gentleman's performance.
2. The City Solicitor indicated to him there is a conflict between the Ordinance and the Charter and how this plays out. This needs to be resolved.

A vote was taken to request the Human Resource Director come down to the Council to discuss the appointment of the Director of Inspections. Vt. 9/0

MEETING ADJOURNED AT 10:24 P.M.

Lynn A. Bouchard, City Clerk
and Clerk of the City Council