

COMMUNITY PRESERVATION COMMITTEE
MINUTES
April 29, 2019

A meeting of the Community Preservation Committee (CPC) was held on Monday, April 29, 2019 at 6:00 pm at 98 Washington Street, Salem, MA. Present were Chair Bart Hoskins, Vice Chair Tim Shea, Carole Hamilton, Jessica Herbert, and John Boris. Also present was Jane Guy of the City of Salem Department of Planning & Community Development.

Public Comment

Steve Immerman, 20 Federal Street U5, stated that he was representing Salem Athenaeum for its proposal to help support a feasibility study to preserve the building, expand its capacity and take care of its collections. He stated that it was Salem's first library in the early 1800s until 50 years later when public library was built. He stated that anyone can come into the Athenaeum, but to check out a book, one must be a member, which is \$90 per year for an individual. If you want to read everything that Nathaniel Hawthorne read, or study Nathaniel Bowditch's volumes that he studied, they are in the collection of the Athenaeum. They have about 50,000 volumes, both contemporary and historic. He stated that part of their task is to steward them more appropriately, with HVAC that is up to modern standards and try to consolidate the storage in order to pick up more space. He noted that they have about 50 events a year, including concerts, lectures, poetry readings and programs – a lot are free and some are charged. They took on the responsibility of hosting the Salem Literature Festival, which drew 200 people last year, and which he expects 400 this year with events spread around the City of Salem. The building was designed by Rantoul and they have enjoyed the support of Massachusetts Historical Commission with grants - including a grant two years ago to restore windows. He stated that the proposed study is for HVAC, additional space and consolidation of book storage capacity. They have gotten a \$30,000 grant from the Massachusetts Cultural Council, which is a matching grant and they are looking for a match from CPA. The rest of \$80,000 feasibility study will be made up by donations. They also want to increase their capacity and to expand access to the North Shore and the Salem community and to increase the role of Athenaeum as an historical steward and a contributor to the economic and community quality of life for the North Shore.

Ms. Herbert asked about access to public and if part of plan is to expand open times.

Mr. Immerman replied in the affirmative and stated that they are currently open 1:00-6:00pm on Tuesday through Friday and 10:00-2:00 on Saturdays. They are not handicapped accessible and one of the major first priorities of the feasibility study is how to maintain the historic integrity of the property and at the same time provide for handicapped accessibility and to get more space so that they can do more programs. He stated that this is essentially seed money for the next fifty years of the Athenaeum's operation. It is a planning study and feasibility study to see how we are going to do this and what it is going to cost so that they can get about the business of raising those funds to improve the building and increase accessibility.

Judy Kane, Administrator at the Brookhouse Home for Women, stated that the Brookhouse has been a home for women since 1861, is licensed by the Department of Public Health and is a historic site. Their endowment was depleted at one point, but they have managed to build it up.

Also present was Martha Ryan who is on the Brookhouse Home Board, Carlotta Tyler is on the board and is a past President and Julia Coffin is the Building and Ground Director.

Mr. Shea asked the current endowment.

Ms. Kane stated that it is \$3.3 million, but that they tend not to try to touch it.

Mr. Shea asked if they are using the interest from it.

Ms. Kane stated that they are not using anything from it.

Ms. Ryan stated that it is sometimes used for emergency capital expenditures.

Ms. Kane stated that they have dipped into it for small amounts, such as 2 years ago for \$100,000 to repair nine chimneys and the slate roof, which also utilized a \$100,000 grant from the Cummings Foundation. She stated that they are now trying to concentrate on the whole envelope of the building. Their application is specifically for repointing the brick on exterior of the house. They recently hired Peter Strout to get a full assessment of the needs of the house. Architect Jon Segar gave them an existing conditions report. She stated that they are trying to seal the envelopment in order to stop leaks.

Mr. Shea asked criteria for its residents.

Ms. Kane stated that they assist 36 residents, from age 65 to 98, with a median age in the 80s, that have supportive needs for daily living. They provide meals and medication management, laundry, housekeeping, activities and social stimulation. Residents can private pay and then go on Medicaid/Mass Health. They can pay with Social Security.

Ms. Tyler stated that their mission is for low income senior women, who have no place else to go, in most cases. The numbers for private pay are very small.

Ms. Kane stated that many women are not appropriate for a nursing home, but have no other place to go. She stated that Brookhouse is not a skilled nursing home. They get many residents referred by North Shore Elder Services and Greater Lynn Senior Services and many are seniors at risk. They are in between assisted living and a nursing home.

Ms. Herbert noted that it is a different population than Bertram House.

Ms. Tyler stated that years ago they did not have administration and had a board that only met quarterly and was spending down the endowment at \$1200 per month and once considered selling the house, until Salem residents jumped in.

Mr. Shea asked about the demographics of the population and where they are from.

Ms. Kane stated that they are mostly from Salem or the Salem area, or whose families are from the Salem area, or are referred from local agencies.

Mr. Shea asked, of the 36, how many have connections to Salem.

Ms. Kane believed it was at least half.

Mr. Shea asked, if the project were not awarded the full amount by the CPC, would the project still go forward.

Ms. Kane stated that they have to find a way to get project done to maintain the mission and sustain the building. It has been neglected a long time. She stated that with grants from Cummings Foundation, they are fortunate, but will have to phase all the projects.

Ms. Herbert stated that the CPA has more requests than funds to award and asked if it would be worth it, if they don't get the full amount.

Mr. Kane replied in the affirmative, noting that they also got a couple of small grants from Eastern Bank which they used to renovate the ladies' activity room and get new furniture.

Ms. Herbert asked the current wait list.

Ms. Kane stated that it is a small wait list. She noted that they are trying to be seen for who they are and not be lumped in with nursing homes. She thought they probably have two people on wait list. She stated that, last year, there was a time that they had seven and then a time when they had 2 or 3 rooms available, so it fluctuates.

Ms. Herbert asked what happens when a resident can no longer care for themselves.

Ms. Kane stated that they will keep them as long as they can, and with a facility such as this they tend to live a lot longer with the supports, socialization, medications and meals. She stated that if someone has a stroke, a fall or other event, they work with the family to try to find the next best thing to keep them safe.

Mr. Northcutt asked if Medicaid pays the difference for those who only have social security.

Ms. Kane replied in the affirmative.

Mr. Northcutt asked if they fundraise privately.

Ms. Kane stated that they haven't done much. She noted that operating expenses and the budget are neck and neck, which is why they are at a shortfall for things the house needs.

Ms. Tyler stated that there are some private Salem groups that do some benefits on their behalf.

Ms. Kane noted that they have a volunteer board, so they rely on a lot of help from people.

Review of FY19 Funding Applications Received - Continued

Review for completeness and criteria; rank order each High, Medium or Low

- **Salem Athenaeum Plan**

MOTION/VOTE: Ms. Herbert made a motion to rank the project a high priority. Mr. Northcutt seconded the motion. Mr. Hoskins, Ms. Hamilton, Ms. Herbert and Mr. Boris voted in favor. Mr. Shea voted in opposition. The motion so carried.

Mr. Shea stated that he is opposed to putting money towards studies. He added that the proposal talks about providing direction on fundraising in the future, which he did not feel was a good use of CPA funds.

- **Brookhouse Home Brick Repointing**

MOTION/VOTE: Ms. Shea made a motion to rank the project a high priority. Ms. Hamilton seconded the motion, all were in favor and the motion so carried.

- **Bertram Field Phase 2**

Jenna Ide provided several bonding scenarios for \$2,000,000 and \$2,500,000, 30 years and 20 years and for level principal of level debt service.

Ms. Ide stated that the City Treasurer prefers using level principal, because the City pays less in total interest over time. She stated that the CPC's decision is not necessarily how the City would bond it. The City may choose to bond using level principal, but it may be easier to structure the CPA payment with just one amount. She stated that the total project cost is around \$6 million. They have about \$400,000 now and would be looking for donations and other sources to cover about \$500,000. The balance would come out of the bond for the whole amount and CPA would pay a portion of that. How much the CPA contributes annually would be up to the CPC.

Mr. Northcutt asked the City's plan if the CPC does not want to bond.

Ms. Ide stated that she did not know, noting that the facility may have to close very soon because it is in poor shape.

Mr. Northcutt stated that he does not have a philosophical problem with bonding. He stated that the last time the CPC considered bonding, it was for new acquisition for the city to gain new public space, noting that the window of opportunity was short and there was no other short-term grant process or solution at the time. He stated that if CPA is only raising \$600,000/year from the tax base and it keeps bonding, there will be no CPA funds left. He stated that he was personally worried about over-committing, for example, 20% of the CPA budget over 30 years. He stated that he would like to look deeper at the total pipeline of municipal projects and wondered if this is approved, would it then be followed by a bond request for Forest River.

Ms. Ide stated that for Forest River, there are a lot of grants they are seeking. She stated that lots of communities use CPA to bond. She noted that this facility is probably used more than any other open space facility for recreation by Salem residents and that teams play there that can't play anywhere else in the city. She noted that there are not a lot of available grant opportunities for this type of facility, noting that PARC grants can't be used, nor the Open Space Land/Water

Conservation Fund Grants, nor the Resiliency Grants, nor the MA State School Building Authority. She added that while Forest River has a lot of grant opportunities, this type of project has limited funding opportunities. She added that the City will be coming up with the remaining amount for Bertram Field. Ms. Ide stated that the facility is in really poor condition, it is gender unequal and they don't know where the sewage is going. She stated that there is a severe problem with flaking paint and water is infiltrating and going into the electrical. She added that while there may be hundreds of millions of dollars in needs in municipal projects, this project is particularly hard to fund. She did not foresee any other larger projects to bond on the horizon, other than possibly Forest River.

Mr. Northcutt stated that if the CPC were to consider, he would want to look at the CIP and how the City is spending other non-CPA bonded funds. He would like to where this fits in the context of all the other capital that the City is spending. He stated that this is a major ask of the CPA fund. He noted that he did not think a one-year request of \$500,000 for the right project is that crazy, even though it might negatively affect the other project requests. He stated that this effects roughly 20-25% of the funds for 30 years and could not recommend without more information on what else the City was spending money on for capital improvements. He stated that he did not question if this was an important project, but questioned if this is the right way to fund it.

Mr. Shea stated that he would be supportive of the project, but was not sure he would support this much. He stated that his maximum would be \$100,000/year. He noted that Bertram field has a lot of kids that go through it including the sports, phys-ed classes, band practice, as well as the community use of the track for walking. He stated that the field house is decrepit. He stated that he felt this was an exceptional project and that he also thought Forest River an exceptional project due to the number of people that both impact. He understood the commitment was significant but added that he preferred nuts and bolts type projects and would support it. He stated that he did not feel the project should be voted on tonight without Mr. Burke present.

MOTION: Mr. Boris made a motion to table the discussion and vote to the meeting of May 14th. Mr. Shea seconded the motion.

Mr. Northcutt stated that he wanted to see more information on City spending on capital on Parks and Recreation related projects annually and where this fits in the context of city spending, noting that the CPA fund could run dry in a couple votes.

Mr. Shea left the meeting at this time.

Mr. Northcutt stated that he was reticent to spend funds for 30 years without full information.

Ms. Herbert asked how meaningful would a \$75,000 or \$100,000 annual bond commitment be.

Ms. Ide stated that the majority of the City's existing bonding goes toward roads and park and recreation. Schools had been renovated through MA School Building Authority, but that the City will soon start to see more need in the capital budget for schools. She stated that water/sewer use enterprise funds from water/sewer rates, which is separate. The majority is roads. She stated that the Community Life Center was a big one. She noted that new projects don't require additional capital for many years, but that older facilities do and the capital budget has been increasing.

She stated that she has tracking to 2010 and that available grants don't necessarily match needs. For Bertram Field, if it gets to Council, they will be ready to move for bid in August and hopefully open by September. They are ready to move on the project if it gets full funding from the Council. She noted that this is the biggest project going for bond in the coming year budget. She noted that if there is no CPA for the project, it may drop out of the capital budget and be moved to next year, which adds another 3% to the cost. Estimated construction cost is \$4.3-4.5 million, plus contingency, soft costs, design and testing brings it up to about \$5.8-6 million.

Mr. Northcutt stated that he would love some sort of summary report about what is being proposed for CIP, for the total amounts in all the categories, such as sidewalks, streets and parks. He would like to have a historical CIP report that shows annually what the city has been bonding for every year. He stated that without this information, he felt it totally irresponsible of the CPC to be spending 20-30% of the fund for 30 years.

Ms. Guy noted that the CPA fund will be getting \$75,000 annually from Footprint for the next 10 years.

Ms. Ide stated that she can only speak to what has been previously requested, not to what will be submitted to City Council. She stated that only about one-third will be funded and that more and more the bond funds are not going to be able to fund park projects, while CPA can. For every year we push out park projects, there will be more school projects added and the park projects will be pushed further out. She stated that there is approximately \$45 million in requests for five years and that does not include much for schools. There are higher capital needs than money available in capital bonds. She stated that there are not a lot of grants available for Bertram, so they are trying to do the project with CPA and bonds.

Mr. Hoskins stated that when we come back to discuss this again, he wants to make sure everyone feels they have enough information to move. He stated that he was nervous to commit funds out 30 years. He preferred a shorter interval, but did not know if the amount or the time period should be adjusted and how much that would jeopardize the project.

Ms. Ide stated that she did not think the bond could be too much lower than the scenarios provided. She stated that they cannot really phase the project and that they already pulled out concessions. She added that the facility needs to be brought up to code.

Ms. Herbert stated that the temptation is to see if we can get more small projects done than a few larger projects.

Ms. Hamilton noted that some projects have no or much less options other than CPA and less options that the City has for funding.

Ms. Guy noted that this is one of the few funding sources that can be used for bonding, when there are others funding sources for some of the other projects.

VOTE: The motion was voted on. All were in favor and the motion so carried

Next Meeting(s)

Tuesday, May 14, 2019

There being no further business, Mr. Northcutt made a motion to adjourn. Ms. Herbert seconded the motion; all were in favor, and the motion so carried.

Respectfully submitted,

Jane A. Guy
Administrator