



CITY OF SOMERVILLE, MASSACHUSETTS

CLERK OF COMMITTEES

October 9, 2018
REPORT OF THE FINANCE COMMITTEE

| Attendee Name | Title | Status | Arrived |
|----------------------|---------------------|---------|---------|
| William A. White Jr. | Chair | Present | |
| Mary Jo Rossetti | Vice Chair | Present | |
| Ben Ewen-Campen | Ward Three Alderman | Present | |
| Matthew McLaughlin | Ward One Alderman | Absent | |
| Katjana Ballantyne | Ward Seven Alderman | Present | |

Others present: Alderman Mark Niedergang, Alderman Lance Davis, Alderman Wil Mbah, Frank Golden - Assessor, Eileen McGettigan - Law, Tom Galligani - OSPCD, Michael Glavin - OSPCD, Ed Bean - Finance, Jill Lathan - Parks and Recreation, Mark Howland - Howland Architecture, Kevin Markiewicz - Design Technique, Ben Yewts - design team, Cathy Piantigini - Library, Wendy Wood - Library, June Pietrantonio - Library Trustee, Karen Kramer - Library, Alison Mitchell - Library, Maren Chiu - Library Trustee, Kate Van Sleet - Library Trustee, Kristen Stelljes - CPA, Doug Kress - HHS, David Webster - FRIT, Annie Connor - Legislative Liaison, Peter Forcellese - Legislative Clerk.

The meeting took place in the Committee Room and was called to order at 6:45 PM by Chairman White and adjourned at 8:54 PM.

1. Approval of the September 12, 2018 Minutes

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| RESULT: | ACCEPTED |
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2. Approval of the September 25, 2018 Minutes

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| RESULT: | ACCEPTED |
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206716: Requesting an appropriation and authorization to borrow \$7,350,000 in a bond for the renovation/construction of the West Branch Library.

Mr. Yewts, a member of the design team, reviewed the renderings of the renovation plans for the West Branch library. This project initially began in 2015 and was put on hold in 2016. Subsequent to that, approval was granted to move forward with the project. It's expected that construction will commence this year or early in 2019. The library is in desperate need of an overhaul. The committee was told about the proposed landscaping and using a palette of natural

materials, (e.g., stone copper and glass), in the construction. The addition to the library is modest in scale to maintain deference to the original historic building. The lower level is being re-purposed for stacks, a multipurpose space and conference rooms. The main level houses an entry lobby, restrooms, an informal reading room, a work room and historic reading rooms and the entry hall and reading rooms will be historically restored. The upper level will have staff spaces and areas for children.

Chairman White opened the floor for questions from the committee. Alderman Ballantyne asked if the requested amount was all inclusive and was told that it covered every facet of the project, including moving and storage costs. Alderman Ballantyne also asked about any conditions that needed to be met with regards to the library's roof. Mr. King replied that the original roof was thought to be slate, however, the structural design of the roof could no longer support slate, so the city and the designers met with state officials and got approvals to use copper for roof, rather than slate. Alderman Ballantyne asked for a breakdown of the cost for the copper roof, including labor, and Chairman White requested the same information for a slate roof. Alderman Ewen-Campen asked if the proposed renovation was the largest the city could get and Mr. King replied that after all things were considered, it's the size that would make a majority of people happy.

Mr. King told the committee that conversations are underway to determine the best way to notify residents about the library's closing during the renovation. The bid documents are ready and Mr. King is confident with the cost numbers. Construction should take about 14 months and the contract includes a liquidated damages provision.

Alderman Rossetti referenced a chart showing building improvements costs and noted a discrepancy in the figures and Mr. Bean said that the chart has been internally updated in preparation for presentation to the BOA. Mr. King explained that the actual total cost of the project is \$10 million and said that he will provide the updated spreadsheet to show where funds are coming from in order to reduce the ask to \$7,350,000.

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| RESULT: | APPROVED |
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199297: That the Administration implement a PILOT program to promote partnerships with major local non-profit institutions for fair-value voluntary PILOTs.

Mr. Golden spoke about the arrangement the city has with Partners Healthcare and said that it's a tax agreement that uses the Boston methodology and is not technically a PILOT, although, in essence, it is. Using that method results in a more favorable outcome for the city. He reviewed figures showing payments made and what would have been paid if the property were taxable, through 2027. Mr. Glavin will review the documents to see if the term of the agreement was for longer than 10 years. Chairman White asked that a copy of the agreement be sent to the BOA., (if it's a public document).

Ms. Connor told the members that Tufts is going through tax payment negotiations and will be finalizing them soon. The Administration will provide the committee with an update when completed.

Neither Mr. Golden nor Mr. Bean were aware of a PILOT with the Cambridge Health Alliance.

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| RESULT: | WORK COMPLETED |
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202971: Green Cab requesting a waiver of Taxi Medallion fees.

Ms. Connor stated that the Administration has put together a plan to exempt certain vehicles and Alderman Rossetti asked that a comparison be performed showing the financial impact of the Administration's proposal vs. exempting all cabs. She would also like to know, from Green Cab, how many vehicles would qualify under the Administration's proposal vs. including all vehicles. Alderman Rossetti is not ready to approve this until those questions are answered. The waiver is being requested so that Green Cab can compete with Uber/Lyft. Alderman Ewen-Campen stated that he doesn't understand why the committee would even entertain such a request to essentially make it easier for a business to operate.

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| RESULT: | KEPT IN COMMITTEE |
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206006: Requesting approval of a Clean Cab Proposal to waive taxi medallion fees for qualifying vehicles.

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| RESULT: | KEPT IN COMMITTEE |
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203230: That the City Solicitor advise this Board whether the city may restrict financial institutions from participating in city borrowing based on their business activities, and whether the city may engage in a negotiated underwriting process with a pre-selected lending institution under certain circumstances.

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| RESULT: | WORK COMPLETED |
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205678: City Treasurer responding to #203230 re: whether the city can restrict financial institutions from participating in city borrowing.

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| RESULT: | WORK COMPLETED |
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204025: Asst. City Solicitor responding to #203230 re: restricting or pre-selecting financial institutions for city borrowing.

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| RESULT: | WORK COMPLETED |
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203448: That the City Assessor and Finance Director provide revenue comparisons for real estate and other taxes received, for a hotel vs. a commercial building of comparable size.

Mr. Golden compared 2 properties, the Marriott Hotel at Assembly Square and the building at 250 Dawes Street. An analysis indicated that a hotel would yield more revenue than a Class A office building, however, if both were on the same size footprint, then the Class A office building would yield more revenue due to the fact that hotels have a ceiling on the number of rooms they build to.

RESULT: **WORK COMPLETED**

203742: That the Fleet Manager provide a 2017 mid-year report of all services provided by the Fleet Management Department, and the expenses to date in each of its line items.

RESULT: **WORK COMPLETED**

204867: That the Chief Assessor and the Director of Communications provide an update on how this year's tax deferral program can be advertised to each eligible home owner, and how the application process can be streamlined.

RESULT: **WORK COMPLETED**

204881: That the Mayor allocate \$25,000 for the remainder of FY18 for this Board to hire its own legal counsel to provide independent legal analysis and advice on legal matters.

RESULT: **WORK COMPLETED**

206164: That, pursuant to Ordinance 2-121, this Board authorizes and requires the employment of other counsel to issue legal opinion and assist in resolving the questions of the Confirmation of Appointments and Personnel Matters Committee around sequencing of appointments and confirmation, and on release of requested information from the Administration for consideration by the Committee.

Ms. Connor told the committee that the BOA has to approve, and mayor has to agree to, bringing in outside counsel. Alderman Rossetti commented that there have been many instances where it's been uncomfortable discussing certain matters with the city's legal staff and she's unsure if the aldermen are getting unbiased legal opinions. Alderman Ewen-Campen said that he believes that there are many conflict of interest areas, given the roles of the Administration and the BOA.

RESULT: **KEPT IN COMMITTEE**

204888: That the Director of Parks and Recreation and the Director of Finance report to this Board how much money was spent per year on girls' programs and boys' programs during FY16, FY17 and FY18 to date.

Ms. Lathan told the committee that the data has been collected and that SomerStat is working on putting it together for the committee, therefore, she requested additional time to respond to this item.

RESULT: **KEPT IN COMMITTEE**

205109: That the Administration and Director of Parks and Recreation develop a financial policy for programming for persons under 18 years of age that ensures gender equity when using public funds.

RESULT: **KEPT IN COMMITTEE**

204982: That the Director of SPCD outline any financial incentives offered in the city's Amazon bid

as well as plans for a Community Benefits Agreement in the possible development.

Mr. Galligani said that the city's proposal was submitted months ago and that it included incentives. The information has been posted online on the city's website. As there is a non-disclosure agreement in place, he was unable to respond to some questioning from the committee. The committee discussed entering into Executive Session to discuss the matter, however, Ms. McGettigan informed the Chair that there was no legal basis for entering into Executive Session.

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| RESULT: | KEPT IN COMMITTEE |
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206162: Director of SPCD responding to #204982 re: possible financial incentives and a community benefits agreement in the city's Amazon bid.

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| RESULT: | KEPT IN COMMITTEE |
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206243: Requesting acceptance of the fee interest in portions of Great River Road, Revolution Drive and Grand Union Boulevard.

Mr. Webster reviewed maps showing the parcels in question. Ms. McGettigan informed the committee that similar transactions have been done previously for Grand Union Blvd. In this case, a tiny portion of the road was not previously accepted along with other streets. The City Engineer has signed off on the condition of the roadways and the city will be responsible for the roads when accepted. Somerville agreed to accept conveyance of the streets under the covenant and to then treat them as if they were public ways. FRIT is responsible for the sidewalks under a shared maintenance agreement in the covenant. Ms. McGettigan noted that FRIT has been paying taxes on these streets for years, even though the streets were ready to be turned over to the city.

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| RESULT: | APPROVED |
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206715: Requesting acceptance of a Confirmatory Reciprocal Easement over Block 11 in Assembly Square.

See discussion of item #206243

Ms. McGettigan explained that it was discovered that one portion of sidewalk was not listed as having 24/7 access, so the plan was re-done to correct the error.

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| RESULT: | APPROVED |
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206229: That the Administration add \$250,000 to the FY19 budget to purchase additional trees.

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| RESULT: | WORK COMPLETED |
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206239: That the Administration increase the annual salary of the Director of the Council On Aging to align with the numerous other Directors who oversee a similar number of staff and contribute to the well-being of thousands in our Community.

Ms. Connor informed the committee that the Administration is deferring to the Salary Compensation Review Board's listed salaries. Alderman Rossetti stated her disagreement with that decision, saying that the current salary is too low, based on the workload vs. other city positions and salaries. The entire committee is disappointed that this matter wasn't given serious consideration by the Administration. Ms. Connor suggested that Alderman Rossetti contact Personnel Director Candace Cooper to discuss the matter further.

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| RESULT: | WORK COMPLETED |
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206323: Requesting a supplemental appropriation of \$34,000 to the Parks and Recreation Budget Ordinary Maintenance Fee Account to fund a license payment for the DCR Boathouse.

Ms. Lathan discussed this item with the committee.

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| RESULT: | APPROVED |
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206452: Requesting acceptance of a \$2,000 grant with no new match required, from the Mount Auburn Hospital to the Health & Human Services Department for health equity training.

Mr. Kress said that the funds would be used for staff training.

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| RESULT: | APPROVED |
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206451: Requesting acceptance of a \$3,100 grant with no new match required, from the MA Attorney General to the Health and Human Services Department, for summer youth jobs.

Mr. Kress informed the committee that the funds have already been received and spent.

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| RESULT: | APPROVED |
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206442: Requesting the appropriation of \$6,000 from the CPA Fund Open Space and Recreational Land Reserve budget to Groundwork Somerville, for the conservation restriction fee for the 5 Palmer parcel.

Ms. Stelljes explained that when the city used CPA funds to purchase property, a conservation restriction is required. The city partnered with Groundwork Somerville in order to satisfy that requirement. The request is to cover the fee for expenses related to annual reviews of the restriction and to create an endowment should legal action be required. Ms. Stelljes noted that the city is looking for other entities that would be able to hold restrictions, adding that if the city was unable to find such an entity, it could jeopardize grant funding.

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| RESULT: | APPROVED |
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206584: That the Administration explain to this Board why the new textile recycling contract was not subject to the city's Living Wage ordinance, and inform this Board when that contract will be re-negotiated.

Alderman Ewen-Campen stated that he was informed that because this contract is a zero dollar contract, it doesn't fall under the city's Living Wage Ordinance. Alderman Ewen-Campen told members that he submitted this item to call attention to the matter. Ms. Connor commented that this is an unusual

contract but the Administration would continue to look at it. Alderman Ewen-Campen asked to be notified when the contract is renegotiated.

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| RESULT: | WORK COMPLETED |
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205729: Legislative Liaison updating this Board on the city's recycling costs.

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| RESULT: | WORK COMPLETED |
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205959: Legislative Liaison responding to #200593 with updated reports on Police and Fire services rendered to tax-exempt facilities.

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| RESULT: | WORK COMPLETED |
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205960: Legislative Liaison responding to #205477 re: Block 8 payments.

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| RESULT: | WORK COMPLETED |
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205998: 3 residents submitting comments re: #205728, a proposed Fire Suppression Charge.

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| RESULT: | PLACED ON FILE |
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206100: CPA Manager submitting the FY18 CPA Annual Report and FY19 Community Preservation Plan as supporting documents for the CPA FY19 budget.

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| RESULT: | WORK COMPLETED |
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205091: That the Administration provide this Board with an opinion on whether or not to draft a home rule petition raising the owner occupied residential tax exemption from 35% to 40%.

Chairman White expressed concern that approval of the higher exemption might cause rents to increase. Ms. Connor reported that the Administration does not recommend approval of this item at this time.

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| RESULT: | WORK COMPLETED |
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202711: Director of SomerStat submitting a memorandum analyzing an increase in the residential exemption.

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| RESULT: | WORK COMPLETED |
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206242: Requesting the acceptance of certain Assembly Row streets as Public Ways, including portions of Great River Road, Revolution Drive and Grand Union Boulevard.

See discussion of item #206243

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| RESULT: | APPROVED |
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205950: Requesting approval of a reciprocal easement over portions of Block 6 in Assembly Row.

See discussion of item #206243. The sidewalk in question is half private and half public.

RESULT:

APPROVED

205956: Requesting acceptance of a rapid deployment vehicle, ballistics helmets, and sunglasses from OEM, with no match required, for the Police Department's Special Response Team.

Ms. Connor informed the committee that the equipment is valued at approximately \$160,000. Alderman Ewen-Campen commented that he would like the Police Chief present to discuss this item and any future military grade equipment. Alderman Ballantyne asked for information regarding military grade equipment received by the city over the past five years. Alderman Rossetti asked where the vehicle, (included as part of this package), was now and Ms. Connor indicated that she did not know.

RESULT:

KEPT IN COMMITTEE

1. West Branch Library Presentation (with 206716)

West Branch Library Presentation (with 206716)

2. Analysis of Partners Health Care tax agreement (with 199297)

Analysis of Partners Health Care tax agreement (with 199297)

3. Maps (with 205950, 206242, 206243, 206715)

Maps (with 205950, 206242, 206243, 206715)

4. 5 Palmer Conservation Restriction (with 206442)

5 Palmer Conservation Restriction (with 206442)

5. Revenue Comparison (with 203448)

Revenue Comparison (with 203448)