



CITY OF SOMERVILLE, MASSACHUSETTS CLERK OF COMMITTEES

June 14, 2016

REPORT OF THE FINANCE COMMITTEE

Attendee Name	Title	Status	Arrived
Tony Lafuente	Chair	Present	
Maryann M. Heuston	Vice Chair	Absent	
Katjana Ballantyne	Ward Seven Alderman	Present	
Matthew McLaughlin	Ward One Alderman	Absent	
William A. White Jr.	Alderman At Large	Present	
Robert J. McWatters	Ward Three Alderman	Present	
Mark Niedergang	Ward Five Alderman	Present	
Lance L. Davis	Ward Six Alderman	Present	
John M. Connolly	Alderman At Large	Present	
Dennis M. Sullivan	Alderman At Large	Present	
Mary Jo Rossetti	Alderman at Large	Present	

Others present: Michael Mastrobuoni - SomerStat, Ed Bean - Finance, Peter Forcellese. Jr. - Treasury, Marc Levy - Assessing, Kate Hartke - Grants, Angela Allen - Purchasing, Kristen Stelljes - CPA, Frank Wright - Law, Bill Roche - Personnel, Tim Snyder - Mayor's Office, Skye Stewart - SomerStat, Peter Forcellese - Clerk of Committees

The meeting took place in the Aldermen's Chamber and was called to order at 6:22 PM by Alderman Lafuente and adjourned at 9:15 PM.

Document List:

- Grants Development Info
- CPA FY16 Annual Report
- Impact of Expanded Residential Exemption Certification Process
- Personnel Department Ordinary Maintenance Data sheet
- Ald. Niedergang MCAB Questions & Info Requests

FY-17 departmental budget review Auditing

Ed Bean presented a snapshot of the city's financial health and reported that there is \$23 million in the reserve fund. Alderman White questioned Mr. Bean regarding the city's debt service and aspects of a proposition 2 ½ over-ride. Alderman Niedergang inquired about health/pension liability and Mr. Bean said that the situation is going to have to be addressed more seriously. He

doesn't see how the city's taxpayers could shoulder the burden without help from the state.

Treasury

Peter Forcellese, Jr. spoke about the Treasury Department and its role in providing customer service to the city's residents. The percentage of the debt service to the city's overall budget was 4.9% in FY-16 and slightly higher (but under 5%) for FY-17. The goal is to stay under 7%. Alderman Rossetti commended Mr. Forcellese for being the only department seeking a lower budget than the previous year. Mr. Forcellese explained that the reduction was due to data processing improvements.

Building Insurance

Mr. Forcellese reported that the insurance cost could be reduced if and when the former Powderhouse School is sold.

Assessing

Marc Levy stated that FY-17 is a revaluation year. He spoke about an additional budget request to hire a vendor to verify the residential exemption status of property owners. A report from a hired consultant is projecting \$1.2 billion of new value in Somerville over the next 10 years due to the GLX.

Purchasing

Angela Allen spoke about her department's interaction with other city departments and reviewed the department's accomplishments and goals.

Grants

Kate Hartke reported that her department worked to secure just over \$5 million in projected funding. Mr. Roche explained that line item 519104, "salary stipend", was used as an adjustment mechanism to conform to the salary compensation guidelines.

CPA

Kristen Stelljes reported on the progress of the Community Preservation Act's actions, including receipts and disbursements realized.

Law

Frank Wright spoke about some of the issues being handled by outside counsel. He also spoke about the budget line for Damages to Persons and Property.

Personnel

Bill Roche spoke about the department's accomplishments and goals.

Requests for information:

- Alderman Ballantyne asked (Treasury) for a list of projects for FY-17
- Alderman White asked (Assessing) to report on the lost tax revenue of the Partner's

- Health building in Assembly Square, due to its non-profit status
- Alderman White requested data (from Mr. Bean) on what the average homeowner has paid in taxes each year for the past 10 years
- Alderman White requested (from Assessing) data on how many 2-family homes that have changed hands, have taken advantage of the residential exemption.
- Alderman Rossetti requested (from Mr. Bean) a copy of the free cash dispersal sheet
- Alderman Ballantyne asked Mr. Bean to post all outside counsel expenses on the FY-17 SharePoint page

Any and all associated departmental financial matters

201600: Requesting to appropriate \$250,000 from the Undesignated CPA Fund Balance to the Affordable Housing Trust Fund per the recommendation of the Community Preservation Committee.

RESULT:

APPROVED