



CITY OF SOMERVILLE, MASSACHUSETTS CLERK OF COMMITTEES

May 6, 2020
REPORT OF THE FINANCE COMMITTEE

Attendee Name	Title	Status	Arrived
Jefferson Thomas ("J.T.") Scott	Chair	Present	
Katjana Ballantyne	Vice Chair	Present	
William A. White Jr.	City Councilor At Large	Present	
Mary Jo Rossetti	City Councilor at Large	Present	
Wilfred N. Mbah	City Councilor at Large	Present	

Others present: Mayor Joseph Curtatone, Annie Connor - Mayor's Office, Khushbu Webber - Mayor's Office, Mike Mastrobuoni - SomerStat, Ed Bean - Finance, Richard Raiche - Capital Projects, Eileen McGettigan - Special Council, Kate Hartke - Grants Development and Omar Boukili - COVID-19 Incident Commander, Rositha Durham - Clerk of Committees.

The meeting was held virtually and was called to order at 6:00 p.m. by Chairperson Scott and adjourned at 8:55 p.m.

Approval of the April 22, 2020 Minutes

The Minutes were accepted on a Roll Call vote of 5 in favor (Councilors Ballantyne, Rossetti, White, Mbah and Scott) to none against.

RESULT:	ACCEPTED
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201740: Proposing an ordinance relative to a mid-fiscal year report of municipal finances, with next-fiscal year budget projections.

There were discussions about the upcoming budget hearing and if it will be a finance committee or committee of the whole. Questions were asked about the city's priorities which were stated to be keeping people employed and maintaining certain projects. Mr. Bean and Mr. Mastrobuoni will be evaluating all accounts such travel with intensity along with deeper cuts for budget items. Councilor Scott stated he wants a more streamlined budget hearing to avoid five to six-hour meetings. This would include less presentations by the department heads and have specific questions for departments with time for departments to respond. The new process could include questions submitted in advance, maybe put on city's website. Councilor Ballantyne reminded Mr. Bean and Mr. Mastrobuoni to insure the format of the budget hearing is clear, with changes from prior year salaries line up with the confidential document submitted to the city councilors.

The information should also include department goals. The committee also talked about how to handle public hearings.

RESULT:	KEPT IN COMMITTEE. [UNANIMOUS]
AYES:	Scott, Ballantyne, White Jr., Rossetti, Mbah

210035: That the Director of Finance update this Council on all money received to date related to the COVID-19 situation.

The Mayor and Mr. Bean stated they are not getting much guidance from the Commonwealth. There were discussions on some potential liquidity challenges with no movement on the part of the Commonwealth of Massachusetts Administration. There will be meetings with the Commonwealth and hoping to get clarification on how to move forward. There were also discussions that the state delegates are looking for packages to provide some relief for the municipalities with talks about trade-offs on Sanctuary cities. Councilor Rossetti inquired about communication that was sent out to union and non-union. The Mayor stated the communication was intended to be transparent on what the city could be facing and the city's goal to save jobs and present programs. Mr. Bean stated there could be a projected 20% loss in local aid next year. The Mayor stated they are working to finalize a list of projects to send to the City Council within the next week or two.

Councilor Mbah asked the Mayor if the list will detail the city's priorities and what will be deferred with explanations and evaluations.

RESULT:	KEPT IN COMMITTEE. [UNANIMOUS]
AYES:	Scott, Ballantyne, White Jr., Rossetti, Mbah

210036: That the Director of Finance update this Council on all expenditures, encumbrances and anticipated expenses to date related to the COVID-19 situation.

Councilor Rossetti inquired about expenses on a document that was sent to the committee previously. One of the expenses related to cleaning the Tufts dorm for approximately \$926,000 to be used for COVID. There were approximately eight new lines for expenses with ISD which is potentially overtime. Mr. Boukili, Incident Commander, tried to log in to the virtual meeting but was having difficulties and will provide an update on all expenses before the next meeting. Ms. Hartke stated looking at some of the biggest expenses related to Chrome books and Amazon Fire. She stated that 75% of the expenses will be reimbursed by the Federal and the city is responsible for the remaining 25%. Expenses covered are cleaning supplies, overtime for nurses and anything for COVID.

RESULT:	KEPT IN COMMITTEE. [UNANIMOUS]
AYES:	Scott, Ballantyne, White Jr., Rossetti, Mbah

209922: That the Director of Finance prepare for this Council a year-to-date update on the E-911 Salaries Account.

Mr. Bean stated the law requires to budget full salaries. A grant came in November for \$236,000. Transferred \$71,000 for a settlement. May use some of the funding for COVID. Mr. Bean stated that one year, the city did not receive the grant.

RESULT:	WORK COMPLETED. [UNANIMOUS]
AYES:	Scott, Ballantyne, White Jr., Rossetti, Mbah

209937: That the Administration provide financial relief to small businesses as a result of the Covid-19 pandemic.

It was stated that there is \$1M from CDBG for small business relief.

RESULT:	WORK COMPLETED. [UNANIMOUS]
AYES:	Scott, Ballantyne, White Jr., Rossetti, Mbah

208856: Requesting the repurposing of \$200,000 in CPA funds awarded to the City's Capital Project Division for the rehabilitation of City Hall.

Mr. Raiche responding to Councilor White's request for additional information. It was stated that in 2015 the city accepted \$200,000 in support IAM goals. All buildings have some liability relating to building codes and ADA issues. The 2015 project did not happen and the funds are now before the committee to be repurposed for an OPM for the design of two buildings. Councilor Rossetti stated that she will be voting no on this request. There were discussions about \$2M for the master plan preliminary design. The \$200,000 is for preliminary designs for city hall and the 1895 building.

RESULT:	APPROVED. [4 TO 1]
AYES:	Scott, Ballantyne, White Jr., Mbah
NAYS:	Rossetti

210054: That the Administration appropriate funds from the dedicated Union Square Community Benefits Contributions to support two outside staff positions, one for job placement/workforce development services and one for local small business services, similar to the Community Benefits Agreement recommendations and now particularly urgent due to the COVID-19 crisis.

Mr. Galligani stated the CBC allocate funds in a variety of ways, with \$500,000 for job training and a third of anticipated payment set aside in escrow. He stated the D2 site is ready to start small portion with \$214,000 payment to procure job development services and small business development. An RFP will be issued to fund one-year salary for each of the category positions. To release the funds from escrow, US2 will need to provide approval. The RFP has not been completed yet and hoping to have it ready over the next couple of weeks.

RESULT:	WORK COMPLETED. [UNANIMOUS]
AYES:	Scott, Ballantyne, White Jr., Rossetti, Mbah

210068: Requesting approval of the attached Order of Taking of 31 Tufts Street.

Ms. McGettigan stated the property is American Legion Post which was previously city land. The city took possession and the city councilor had declared the property surplus. Ms. McGettigan stated taking the property will clear the title.

RESULT:	APPROVED. [UNANIMOUS]
AYES:	Scott, Ballantyne, White Jr., Rossetti, Mbah

210070: Requesting the transfer of \$94,015 from the Parking Department Repairs to Highway Account to the IAM Engineering Division Repairs to Highway Account, to provide pavement marking services.

Mr. Raiche stated this is a housekeeping item, transitioning plans for Traffic and Parking to spend down the funds in 2019 and then in 2020 engineering will handle moving forward.

RESULT:	APPROVED. [UNANIMOUS]
AYES:	Scott, Ballantyne, White Jr., Rossetti, Mbah

210117: That the Director of Finance provide a written rolling cash flow analysis every 2 weeks during this COVID-19 emergency and include forecasts to ensure sufficient operating liquidity by estimating the available cash deposits, expected inflows, and required disbursements.

Mr. Bean stated there are more challenges due to delayed property taxes and may have a three-month cashflow budget with the potential of borrowing at the end of May. Mr. Bean will have discussions with the treasurer regarding standard disbursements and concerns over the first few months of the fiscal year. Mr. Bean reviews the cashflow on a daily basis and currently working on three-month budget now. There were many questions about the three-month budget and if the city will have two different budget processes. Again, it was stated that the city needs to receive guidance from the Commonwealth. The committee asked when the city council will receive information on the FY21 budget. Mr. Bean stated the city is still waiting for guidance from the state. The city has placed phone calls to DOR inquiring about guidance and expectations. Questions were asked how the state will distribute the funds from the CARES Act. It was also stated that neighboring cities are already meeting on their budgets, trying to determine budget gaps. The Mayor expects to have a better idea after a meeting tonight with the state and administration. Councilor Ballantyne asked Mr. Bean about the Free Cash amount and how much will be used to pay down on debt services. Mr. Bean stated he will know better later this month and that he's hoping debt service will be no more than \$1M going into FY2021. Mr. Bean stated the possibility of \$10M ban for the Somerville High School.

RESULT:	KEPT IN COMMITTEE. [UNANIMOUS]
AYES:	Scott, Ballantyne, White Jr., Rossetti, Mbah