



City of Somerville, Massachusetts

City Council Finance Committee

Meeting Minutes

Wednesday, June 7, 2023

6:00 PM

This meeting was held via Zoom and was called to order by Chair Wilson at 6:01 p.m. and adjourned at 9:22 p.m. on a Roll Call Vote: 5 in favor (Councilors Ewen-Campen, Clingan, Kelly, Scott, Wilson), 0 opposed, 0 absent.

Others present:

Michael Potere – Assistant Clerk of Committees; Kimberly Wells – City Clerk; Edward Bean – Finance Director; Michael Mastrobuoni – Budget Director; Francis Golden – Chief Assessor; Stephen Haynes – Director of Finance, Water and Sewer; Demetrios Vidalis – Director of Water and Sewer; Brian Postlewaite – Director of Engineering; Richard Raiche – Director of IAM; Bernabe Rodriguez – Assistant City Clerk; Brendan Salisbury – Legislative and Policy Analyst; Madalyn Letellier – Administrative Assistant for Boards and Commissions; Ella Lasatele – Assistant City Archivist; Nadia Dixon – City Archivist; Megan Huckenpahler – Budget Analyst; Kate Hartke – Director of Grants and External Funds; Linda Dubuque – Treasury Collector; Melissa Woods – Director of Capital Projects; and Michael Richards – Director of Finance & Administration.

Roll Call

Present: Chairperson Jake Wilson, Vice Chair Jefferson Thomas (J.T.) Scott, Charlotte Kelly, Jesse Clingan and Ben Ewen-Campen

1. Review of the FY 2024 Budget
 - City Clerk
 - Licensing Commission
 - Auditing
 - Grants Development
 - Assessing
 - Treasury
 - Building Insurance
 - Infrastructure & Asset Management
 - Capital Projects
 - Engineering
 - Water
 - Sewer

1. City Clerk

Clerk Wells introduced staff members Bernabe Rodriguez (Assistant City Clerk), Brendan Salisbury (Legislative and Policy Analyst); Madalyn Letellier (Administrative Assistant for Boards and Commissions), Ella Lasatele (Assistant City Archivist), and Nadia Dixon (City Archivist), and thanked the Committee for their support of the City Clerk's office. Clerk Wells discussed the request for a new position, funded for six months

beginning in 2024, for a Licensing Operations Manager, with the intention of improving the city's ability to handle its licensing processes for small business, including those seeking alcohol and marijuana licenses. Clerk Wells also discussed a request for funding to update the Clerk's physical office space to accommodate new staff, as well as a funding for employee training. Finally, Clerk Wells explained funding changes in the Clerk's software budget, which is intended to improve the user interface with city zoning ordinances, making them more readily available to the public.

Chair Wilson noted there were no questions, motions, or resolutions on this subject.

2. Licensing Commission

Clerk Wells explained that this item reflected the personal services budget for the licensing commissioners, and noted that the rest of the budget for this department has been reallocated to the City Clerk's office for ease of administration.

Chair Wilson asked about the addition of an alternate licensing commissioner and how that stipend would be covered, and Clerk Wells replied that an ordinance would need to be passed to include a salary for that person, and then a mid-year appropriation request would be made to fund it, adding that it is not guaranteed that an alternate commissioner would receive a stipend, and that it would be up to the City Council to make that determination.

Chair Wilson noted there were no motions or resolutions on this subject.

3. Auditing

Director Bean began by stating that the city has recently received a AAA credit rating from Standard & Poor, which will save the city hundreds of thousands of dollars in interest payments over the long term, adding that the next goal is to obtain a AAA rating from Moody's, the other major bond rating agency. Director Bean then stated that the city assessor is projecting a \$15 million increase in new commercial tax growth for Fiscal Year 2024, and that the forecast for the same would be updated in Fall 2023. Director Bean also stated that another goal for the department is to systematize the capital planning process in an effort to produce a Capital Investment Plan (CIP) ahead of the operating budget. Budget Analyst Huckenhahler stated that another goal for the department is to increase participatory budgeting, and that such a process was started in Fiscal Year 2023 with a group of eleven residents and the receipt of 963 ideas from members of the public regarding the use of certain funding. Director Bean added that, to accomplish the goal of increased participatory budgeting, the department would also like to use the Fiscal Year 2024 budget to strengthen the

financial management staff's capacity, and that additional staff was also needed to meet the growing demands of the city for accounts payable and invoices. Director Mastrobuoni stated that one of the new staff positions being requested is a Budget Analyst who will focus on the CIP, and Director Bean explained that the second requested position is a union-based SMEA Principal Clerk position to assist in auditing transactions made by various city departments. Director Bean concluded by explaining that these new staff positions reflect the primary sources of the department's requested budget increases.

Chair Wilson expressed support for the creation of these new positions, and the accounts payable Principal Clerk position in particular. Councilor Scott stated that the department's request for another budget analyst position would be considered as a possible cut for "cut night."

Chair Wilson noted there were no motions or resolutions on this subject.

4. Grants Development

Director Hartke explained that the department's goal for Fiscal Year 2024 is to continue providing technical assistance and act in an advisory role to other departments after grants have been awarded and allocated, and that this is the purpose of the department's staffing requests in their budget proposal. Director Hartke also explained that a part of the department's requested budget increase is to allow its staff to travel to conferences to build knowledge and expertise. Director Hartke also indicated that there are tabs on the budget website indicating goals and priorities related to ARPA funding goals and priorities.

Councilor Scott asked about the department's Fiscal Year 2023 request of \$1,000 for a news service, and Director Hartke stated that it was intended for a subscription news service that the department opted against in 2023 but may reconsider for 2024.

Chair Wilson noted there were no motions or resolutions on this subject.

5. Assessing

Assessor Golden explained that the department is requesting a 7.27% increase, reflecting new contracts with personal property and real estate software licensing renewals, as well as the creation of a new Deputy Assessor position, which will assist in property valuation, particularly for new life sciences office buildings in the city. Chair Wilson asked about two vacant clerk positions in the department, and Assessor Golden replied that those vacancies are recent and the department is working to get them filled as soon as possible. Councilor Scott stated that the department's request for a Deputy Assessor position would not be considered as a potential cut

because it is basically restructuring an existing position.

Chair Wilson noted there were no motions or resolutions on this subject.

6. Treasury

Treasury Collector Dubuque stated that the department's budget was decreasing for Fiscal Year 2024, and that the department's primary additional goal for the year is to implement an electronic payment system to eliminate paper checks and reduce the risk of fraud in transactions.

Councilor Scott expressed support for the department's budget request

Chair Wilson noted there were no questions, motions, or resolutions on this subject.

7. Building Insurance

Director Mastrobouni stated that, regarding the budget for Damages to Persons and Property, a small increase was requested for the damages objects budget.

Chair Wilson noted there were no questions, motions, or resolutions on this subject.

8. Infrastructure & Asset Management

Director Raiche stated that one proposed change to the department's budget was to facilitate the creation of a Geographic Information System (GIS) Manager position, which will be funded by reducing requests for historically unspent budget items. Director Raiche also indicated that there was a request in the budget for a one-time software upgrade purchase for an asset management content management system (CMS), and a related \$200,000 allocation to hire an IT consultant with expertise in the area to implement it.

Councilor Kelly asked about the \$3 million bond for the "1985 Building" from Fiscal Year 2023 and the School Committee's decision to maintain possession of it, and Director Raiche replied that the department remains hopeful that a constructive solution to that question can be reached with the School Committee moving forward to find a way to utilize those funds.

Councilor Kelly asked for a breakdown of how a \$500,000 supplemental appropriation for capital projects and building improvements from November 2022 was spent, and Director Raiche stated that a breakdown could be drafted and provided to the Councilor. Councilor Kelly also asked about how a \$3 million bond for building improvements approved in April 2023 was spent, and Director Woods stated those funds were for the

Kennedy School chiller replacement.

Councilor Scott asked about improvements to buildings for the Somerville Fire Department, and Director Woods replied that the master plan for that project is currently in process, and that there is \$300,000 from the department's engineering and architecture budget allocated for the Somerville Fire Department projects for Fiscal Year 2024.

A discussion not directly related to the budget took place among Councilors Ewen-Campen, Clingan, Scott, Kelly, and Wilson and Director Raiche regarding the importance of expediency for the developing Winter Hill School situation.

Chair Wilson noted there were no motions or resolutions on this subject.

9. Capital Projects

Director Woods explained that changes in the department's budget reflect rapidly changing circumstances, including the creation of a Senior Project Manager position to address the "K-8 Master Plan" and the conditions at the Winter Hill School.

Councilor Kelly asked for a breakdown of the department's \$1.2 million engineering and architecture budget request, and Director Richards stated that \$300,000 was for the Somerville Fire Department, \$125,000 for the West Somerville School design, \$125,000 for the Healy School design, \$125,000 for the Capuano School design, \$125,000 for the Somerville School retro-commissioning, \$50,000 for retro-commissioning the Capuano School, and \$50,000 for the Argenziano School retro-commissioning. Director Woods added that a lot of this work is related to HVAC improvements that were discovered during the initial phases of the COVID-19 pandemic. Director Woods also added that a more granular breakdown could be drafted and provided to the Councilor.

Chair Wilson noted there were no motions or resolutions on this subject.

10. Engineering

Director Postlewaite outlined four key ways the department intends to improve the city's infrastructure during Fiscal Year 2024: (1) hire a Senior Project Manager to lead the city's sewer projects, resulting in less flooding; (2) hire a Senior Traffic Engineer to expand traffic management plan expertise; (3) hire an ADA Field Associate to coordinate and manage ADA field compliance in the city; and (4) expand funding for consultants and contractors to design and execute traffic signal improvements to increase safety for pedestrians, bicyclists, and motorists.

Councilor Ewen-Campen asked if the budget for repaving Highland Avenue would impede the redesign of the street, and Director Postlewaite indicated it would not.

Councilor Scott asked about what projects the proposed Senior Project Manager would be managing, and Director Raiche stated this person would oversee the Poplar Street Pumping Station project and the similar project near Foss Park, which are large projects that are getting underway in the coming months.

Councilor Kelly asked what the remaining balance in the Street Reconstruction and Renovation Stabilization Fund for Fiscal Year 2024, and Director Postlewaite responded that the amount is effectively \$0 (zero dollars), noting that the funds had been fully allocated for paving projects.

Councilor Clingan asked if there had been any relevant modifications to the way the department approaches street and sidewalk reconstruction, and Director Postlewaite stated that the department continues to learn and improve with each project.

Councilor Clingan asked about whether a tank would be needed for Gilman Square, and if so, its specifications, and Director Raiche responded that there would not be a concrete answer to that question until the other piping is installed, and that the other aforementioned projects are more critical in nature.

Chair Wilson noted there were no motions or resolutions on this subject.

11. Water

Chair Wilson stated that “Water” and “Sewer” would be discussed together.

Director Vidalis stated that the department’s goals for Fiscal Year 2024 included continuing to provide high quality water and sewer services to the city’s residents, improving the system for responding to 3-1-1 requests, implementing a system to monitor and respond to leaks and breaks in the distribution and sewer systems, implementing the ratepayer assistance program, and improving community knowledge and awareness of ways ratepayers can lower their costs. Director Vidalis stated that on the personal services side, the department is supporting a Senior Project Manager position, and in engineering a Safety Compliance Officer, who will ensure compliance with regulations and develop staff training, and a Project Manager, who will oversee contract development and execution, which in turn will allow the Director of Finance to allocate additional time to developing the ratepayer assistance program. Finally, Director Vidalis stated the proposed budget reflects building improvements, including the installation of a women’s locker room and a gender-neutral restroom.

Councilor Clingan expressed appreciation for the department's efforts.

Chair Wilson noted there were no motions or resolutions on this subject.

12. Sewer

Chair Wilson stated that "Water" and "Sewer" would be discussed together.

Chair Wilson noted there were no motions or resolutions on this subject.

2. Officer's Communication (ID # [23-0550](#))

Director of Water and Sewer conveying the FY 2024 Water & Sewer Rate proposal.

Director Vidalis referred to the presentation given during the Finance Committee meeting on May 23, 2023 and presented the slideshow attached to this Item. Director Vidalis stated that the department was able to lower the rate increase for Fiscal Year 2024 to 13.5% by deferring a sewer lining project and a sewer monitoring project, as well as by lowering the cost to hire a consultant regarding the ratepayer assistance program. To accommodate this decrease, Director Vidalis stated that rate increases of 17% in 2025 and 2026, 8% in 2027 and 2028, 7% in 2029 and 2030, and 5% in 2031, 2032, and 2033 would be necessary. Director Vidalis added that the department would work to try to lower these increases as soon as possible.

Councilor Kelly expressed concern regarding the 17% increases in 2025 and 2026, and Director Vidalis replied that those numbers are estimates and the precise figure is not yet known.

Councilor Scott asked about the figure for the Water Enterprise Fund departmental budget for salaries, and Director Haynes stated the figure is \$530,614.73 with \$229,00 remaining, and Director Mastrobuoni added that the figure is inaccurate on the budget page based on a software error. Councilor Scott asked about the number of vacancies in the department, and Director Haynes stated there are ten vacancies, which is why the original budget amount of \$640,000 was amended. Councilor Scott expressed concern regarding the department's inability to maintain a full staff. In response, Director Vidalis stated that if the proposed rate increase is not approved, the department would not have the funding to fill those positions.

Chair Wilson and Councilors Ewen-Campen and Clingan expressed support for the item; Councilor Scott expressed a lack of support for the item.

A roll call vote was held on this item: 4 in favor (Councilors Ewen-Campen, Clingan, Kelly, Wilson), 1 opposed (Councilor Scott), 0 absent.

RESULT:	<u>RECOMMENDED TO BE APPROVED</u>
AYE:	Chairperson Wilson, City Councilor At Large Kelly, Ward Four City Councilor Clingan and Ward Three City Councilor Ewen-Campen
NAY:	Vice Chair Scott

Note: Written comment may also be emailed to cityclerk@somervillema.gov and will be accepted until noon on Wednesday, June 21, 2023.

Referenced Documents:

- Finance - 2023-06-07 FY24 Eng Budget Responses to Clrs-1
- Finance - 2023-06-07 FY24 Eng Budget Responses to Clrs-2
- Finance - 2023-06-07 Grants Budget Response
- Finance - 2023-06-07 Assessing Budget Response
- Finance - 2023-06-07 Auditing Budget Response
- Finance - 2023-06-07 Treasury - Building Insurance
- Finance - 2023-06-07 IAM Response to Councilor Questions
- Finance - 2023-06-07 CP Response to Councilor Questions
- Finance - 2023-06-07 Rate Conveyance June 7