



# CITY OF SOMERVILLE, MASSACHUSETTS

## CLERK OF COMMITTEES

June 15, 2010

### REPORT OF THE FINANCE COMMITTEE

Attendee Name	Title	Status	Arrived
Maryann M. Heuston	Chair	Present	
William A. White Jr.	Vice Chair	Present	
Bruce M. Desmond	Alderman At Large	Present	
John M Connolly	Alderman At Large	Present	
Rebekah L. Gewirtz	Ward Six Alderman	Present	
Sean T. O'Donovan	Ward Five Alderman	Present	
William M. Roche	Ward One Alderman	Present	
Thomas F. Taylor	Ward Three Alderman	Present	
Walter F. Pero	Ward Four Alderman	Present	
Robert C. Trane	Ward Seven Alderman	Present	
Dennis M. Sullivan	Alderman At Large	Present	
Joseph Curtatone	Mayor	Present	
All Department Heads		Present	
All School Committee Members		Present	
Ed Bean	Finance Director	Present	
Stephanie Hirsch	Special Projects	Present	
Tony Pierantozzi	Superintendent of Schools	Present	
Tara Acker	Director of Somerstat	Present	
Steve Craig	Director of Constituent Services	Present	
Michael Meehan	Director of Communication	Present	
Elizabeth Craveiro	Treasurer/Collector	Present	
Rositha Durham	Director of Purchasing	Present	
Marc Levy	Chief Assessor	Present	
Kate Ashton	Grant Administrator	Present	

The committee met as a COMMITTEE OF THE WHOLE

### **189788 - Requesting Approval of an Appropriation of \$165,507,404 to fund the Fiscal Year 2011 Operating Budget for the City of Somerville:**

Mayor Curtatone presented the Fiscal Year 2011 budget and said that the city is facing a change in how it operates that is every bit as momentous as when Proposition 2 ½ first passed. State aid is again being cut at the same time that health insurance costs are skyrocketing. Somerville is faced with a net cut in state aid of \$2.3 million. This follows directly on the heels of the FY-10 cut of \$9.1 million. Health Care costs have tripled in the last 10 years and the city is anticipating a \$4.2 million additional appropriation in FY-11 to cover the cost of health care, which is now equal to the city's entire Public Safety budget. The city cannot cut its way out of this problem

and must make the tough choices to keep Somerville the desirable place that it is to live, work and play in. Somerville will continue to be guided by its goals of maximizing the return on taxpayer dollars, providing quality educational opportunities, promoting economic development consistent with the city's Comprehensive Master Plan, increasing accountability and transparency, providing reliable access to government services, utilizing new technologies to better deliver city services, promoting a healthy environment and by promoting a Workplace that solves problems, achieves goals and delivers quality services to its citizens.

Mayor Curtatone went on to say that there are sustainable solutions to this fiscal crisis that don't slash our city's services, pointing to Financial Advisory Committee's recommendations of preserving core municipal services, raising revenues, reducing expenditures, seeking efficiency measures, considering alternative service delivery methods, e.g., the contracting out of work, capturing indirect costs, refinancing debt obligations and responsibly using reserves and one-time revenues. The city is responsibly closing the budget gap by reorganizing and moving forward, always remaining true to its core principals of fiscal responsibility, upholding core commitments and values and shared sacrifice. There is nothing in this budget that necessitates the sale of any city asset.

Samuel Tyler, President of the Boston Municipal Research Bureau, addressed the committee saying that Somerville's fiscal approach has been responsible and that the adoption of Section 18 (requiring retirees to enroll in Medicare) would be beneficial for the city, as will eventually joining the Group Insurance Commission (GIC) health care system since decisions are made administratively and not negotiated. Mr. Tyler went on to say that increasing fees, fines, etc. makes sense and that the collection of delinquent parking fines and exploring alternative service delivery methods, such as the outsourcing of work, seem reasonable. The indirect costs of water and sewer, as well as debt refinancing, need to be looked at on a regular basis. Mr. Tyler noted that this is the third year of local aid cuts and said that FY-12 may be even more difficult since the federal stimulus funds won't be available. The state may be facing a \$2.5 billion shortfall in FY-12 and he advised the city to look at a multi-year time frame.

The following departments appeared this evening to review their budgets:

- **Executive Office**
  - the Summer Jobs Program allocation was increased by \$15,000 to \$100,000
  - A new initiative, SomerPromise, was explained as being a collaboration of non-profits, individuals, colleges and the School Department that would use funds from the SomerPromise Trust to collect data on students and then use that data to develop strategies to help students achieve. The initial seed money for this program would be provided by the city and the School Department will provide in-kind services.
- **SomerStat**
  - A Project Contractor position was eliminated from this year's budget and replaced with a ResiStat Coordinator.
- **Constituent Services** (Alderman Pero recused from this discussion)
  - A \$2,000 increase was included in this year's budget to provide customer service training for city employees.
  - A \$1,500 increase was included to print more "Welcome to Somerville" packets.

- **Communications**
  - The cost for the City's CTY contract (reverse 911 system) was renegotiated at a lower rate and will be paid for from the City's Cable Telco fund.
- **Treasury**
  - There are no significant changes in this year's budget
- **Auditing**
  - Eliminated the Internal Auditor position
- **Purchasing**
  - There are no significant changes in this year's budget
- **Assessing**
  - The Board of Assessors has been reorganized in the FY11 Budget at a savings of \$117,153 over last year.
  - The following positions have been discontinued: Revaluation Director, Commercial Appraiser, Sales/Personal Property Analyst, Assessor Analyst, Executive Secretary, Principal Clerk I and replaced with the following: Director of Commercial Assessments, Manager of Residential Assessments, Sales/Personal Property Analyst, Head Clerk, Jr. Clerk.
- **Grants Management**
  - There are no significant changes in this year's budget

### **Requests for Information**

- Alderman Gewirtz requested that the Administration provide the committee with a breakdown of who was hired over last 2 years.
- Alderman White requested information on health care costs.
- Alderman White asked Mr. Bean to verify the method that the city uses to vote on the city budget, appropriation orders, etc.
- Alderman Trane requested a breakdown of btu's and therms, etc., with a comparative cost for each building with respect to the ESCO contract.
- Alderman White requested information about other communities operating a program similar to SomerPromise.
- Alderman Taylor requested a copy of the report and plan developed by Tara Acker for the state.
- Alderman White requested information on any non-union raises that are included in this budget, for whom and for what positions.
- Alderman White requested information for all revolving funds.

