



CITY OF SOMERVILLE, MASSACHUSETTS CLERK OF COMMITTEES

June 26, 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	Present	
Katjana Ballantyne	Ward Seven Alderman	Present	
Jefferson Thomas ("J.T.") Scott	Ward Two Alderman	Present	
Jesse Clingan	Ward Four Alderman	Present	
Mark Niedergang	Ward Five Alderman	Present	
Lance L. Davis	Ward Six Alderman	Present	
Stephanie Hirsch	Alderman At Large	Present	
Wilfred N. Mbah	Alderman at Large	Present	

Others present: Michael Mastrobuoni - SomerStat, Michael Bertino - Treasury, Ed Bean - Finance, Frank Golden - Assessing, Cynder McNerny - Financial Advisor, Jill Lathan - Parks & Recreation, John DeLuca - Water & Sewer, Mark Lawhorne - Water & Sewer, Rich Raiche Engineering, Rob King - Capital Projects, George Proakis - OSPCD, Peter Forcellese - Legislative Clerk.

The meeting took place in the Aldermen's Chamber and was called to order at 6:12 PM by Chairman White and adjourned at 11:20 PM.

1. Public Hearing on the proposed FY-19 City Budget (#206025)

Several members of the public spoke on this item. A summary of the comments follows:

- There is no comprehensive program in place for recycling in the city's schools
- E-911 personnel are not being treated fairly/wisely
- Department head praise is misdirected. Credit should go to the rank and file employees
- Vision Zero initiative needs to be staffed
- City's fields are in poor condition for youth sports; expedite the cleanup of Conway Park and take control of Foss Park
- Tax dollars are being used to fight contracts
- Increase access to pools, especially the Kennedy School pool
- There is no money in the budget to plant even one tree; the Urban Forestry Department

should have a budget; the Tree Committee has yet to be formed

- After school programs should be extended to 6:00 PM
- OSPCD Transportation and Infrastructure is still under budgeted.
- Lower income residents are being impacted by the budget. There has been an increase on the budget of 37% in 10 years, while the CPI went up 18%
- Urges the BOA to advocate for settlement of all union contracts
- Consider a position to coordinate the battle against rats
- Railings needed on the steps of the library and city hall
- Audible crossing signals should be installed at all signaled locations
- Remove trash from sidewalks
- Pay youth to help the elderly shovel snow
- Eliminate the brick sidewalks in Davis Sq.
- Implement a permanent financial offset for the use of Dilboy Field
- Portable toilets are needed at playgrounds
- Additional artificial turf field space needed
- Not enough field space for sport teams
- Budgets containing raises for non-union personnel continue to be passed; asking that the BOA support the bargaining process

The Public Hearing closed at 7:05 pm

2. FY-19 Departmental Budget Review and any associated departmental financial matters.

Mr. Bertino, Mr. Bean, Mr. Golden and Ms. McInerny gave a presentation of the city's debt service.

Mr. Bertino said that the city's general philosophy is to BAN for 2 years and then pay down the bond over the life of the bond. Mr. Bean spoke about the total debt service projections and stabilization funds. Mr. Golden spoke about revenue projections saying that there are 29 projects in play for FY-19. New growth is projected out 10 years and is paid by the parcel being built. A large amount of growth causes a depreciation in the tax rate. Mr. Golden said that taxes will be going up, but by less than last year. There are another 65 projects on the table.

Alderman Ballantyne asked for a breakdown of the new growth dollars for both commercial and residential properties. Alderman McLaughlin stated his concern that many of the projects are nowhere near beginning and asked if there's anything the city can do to leverage developers of permitted projects to get going. Asked about the pending \$3 million payment due from FRIT, Mr. Proakis again stated that FRIT has made a commitment to pay it before the end of FY-18.

3. Enterprise Funds - Dilboy & Rinks

Ms. Lathan reviewed the budgets for the rinks and Dilboy. Alderman Niedergang is concerned that general fund continues to fund the rinks at close to \$200,000 per year. Ms.

Lathan explained that in order to be self-sustainable, rink fees would have to be raised. Alderman Hirsch said she would like to think of the rinks as a public asset that should be made available to the public at no charge.

Ms. Lathan told the committee that \$17,000 was put in from retained earnings to reduce the fees charged to local youth sports groups for the use of Dilboy Field. Mr. Mastrobuoni noted that retained earnings are not listed in the budget book. Chairman White asked that something be developed for future budgets so that they are shown. Alderman Rossetti asked that more retained earnings be used to lower the fees for youth. Ms. Lathan replied that Dilboy is going to need repairs, so the department is holding onto more retained earnings.

4. Executive Session - Union Labor Update

The committee voted unanimously, on a Roll Call vote, to enter into Executive Session at 10:42 PM to receive an update on union labor matters. (In favor: Aldermen Scott, Mbah, Rossetti, Clingan, White, Campen, Davis, Hirsch, Niedergang, McLaughlin and Ballantyne.) No votes were taken in Executive Session other than the vote to adjourn at 11:42 PM.

5. Departmental Budget Cuts

Mr. DeLuca, Mr. Raiche, Mr. Lawhorne and Mr. King responded to questions regarding the Water and Sewer budget.

Alderman Rossetti inquired about line 580010 and Mr. DeLuca said that \$200,000 will be used for a video examination of the infrastructure through the Engineering Department.

Alderman Rossetti asked about line 588007 and Mr. DeLuca said that line is for repairs to the system and that the city can't afford a smaller budget for this line due to the aging system. Alderman Rossetti was convinced that the requested amount is needed.

Alderman Rossetti asked what the 5% sewer rate increase would equal in receipts and Mr. Bean said that it will build up retained earnings. Alderman Rossetti asked what the additional revenue would be from the 5% increase. Mr. Mastrobuoni said it would generate \$1 million, spread over 18,000 service connections and Mr. DeLuca said that the average family of 4 would see about a \$56 increase yearly. Alderman Niedergang stated that the Administration has a plan to fix something that's been broken for a long time, by overcharging and amassing reserves and he believes that this is a well thought out plan.

Alderman Ewen-Campen asked why the budget is structured to hide money that can be used as retained earnings and Mr. Bean replied that they are honest projections. Alderman Davis read a section from a webpage of the DOR which basically said to do exactly what the city is doing.

206025: Requesting an appropriation of \$225,971,887 to fund the General Fund Operating Budget for FY19.

RESULT:

KEPT IN COMMITTEE

206026: Requesting an appropriation of \$1,750,000 from Unreserved Fund Balance ("Free

Cash") to reduce the FY19 Tax Levy.

RESULT:	KEPT IN COMMITTEE
----------------	--------------------------

206027: Requesting to appropriate or reserve \$1,986,473 in estimated FY19 CPA revenue for CPA projects and expenses.

RESULT:	KEPT IN COMMITTEE
----------------	--------------------------

206028: Requesting the appropriation of \$377,622 for the FY19 Cable Television PEG Access Fund Budget.

RESULT:	KEPT IN COMMITTEE
----------------	--------------------------

206029: Requesting an appropriation of \$865,346 to fund the FY19 Veterans Memorial & Founders Ice Rink Enterprise Fund Budget.

RESULT:	KEPT IN COMMITTEE
----------------	--------------------------

206030: Requesting an appropriation of \$41,000 from the Veterans Memorial Ice Rink Retained Earnings Account to subsidize the FY19 Veterans Memorial Ice Rink Enterprise Fund Budget.

RESULT:	KEPT IN COMMITTEE
----------------	--------------------------

206031: Requesting the appropriation of \$205,000 to fund the FY19 Dilboy Enterprise Fund Budget.

RESULT:	KEPT IN COMMITTEE
----------------	--------------------------

206032: Requesting the appropriation of \$17,000 from the Dilboy Enterprise Fund Retained Earnings Account to subsidize the FY19 Dilboy Enterprise Fund Budget.

RESULT:	KEPT IN COMMITTEE
----------------	--------------------------

206033: Requesting approval of an amendment to Ordinance 2-373 to include a Revolving Fund for Community Gardens.

RESULT:	KEPT IN COMMITTEE
----------------	--------------------------

206034: Requesting the approval of FY19 expenditure limitations for departmental Revolving Funds.

RESULT:	KEPT IN COMMITTEE
----------------	--------------------------

206035: Director of Water and Sewer submitting proposed FY19 Water and Sewer Rates,

including updated fire suppression charges.

Aldermen Rossetti and McLaughlin stated that they can't support a 5% rate increase.

Alderman Niedergang made motion to approve the rate request. Chairman White asked if this request includes the fire suppression charge, and if so, then a new document would have to be submitted omitting that charge, since the proposal has been rescinded. Alderman Niedergang's motion to lay the item on the table to allow time for this question to be resolved, was approved.

[The committee entered Executive Session at 10:42 PM to receive a union labor update and returned from Executive Session at 11:12 PM. See Agenda item #4]

Chairman White's **motion to reject the proposed fire suppression charge was unanimously approved** on a Roll Call vote of 11 in favor , 0 opposed and 0 absent. (In favor: Aldermen Scott, Mbah, Rossetti, Clingan, White, Campen, Davis, Hirsch, Niedergang, McLaughlin and Ballantyne.)

Alderman Niedergang's prior motion was taken off table and withdrawn.

Chairman White's **motion to approve the water rate was unanimously approved** on a voice vote.

Chairman White's **motion to approve the sewer rate was approved** on a Roll Call vote of 7 in favor, 4 opposed and 0 absent. In favor (Aldermen Mbah, Niedergang, Ewen-Campen, Davis, Hirsch, Ballantyne, White) Against (Ald. Scott, Rossetti, Clingan, McLaughlin)

RESULT:	APPROVED AS AMENDED
----------------	----------------------------

206036: Requesting an appropriation of \$22,847,863 to fund the FY19 Sewer Enterprise Fund Budget.

RESULT:	KEPT IN COMMITTEE
----------------	--------------------------

206037: Requesting an appropriation of \$14,521,861 to fund the FY19 Water Enterprise Fund Budget.

RESULT:	KEPT IN COMMITTEE
----------------	--------------------------

206038: Requesting the appropriation of \$736,041 from the Water Enterprise Fund Retained Earnings Account to subsidize the FY19 Water Enterprise Fund Budget.

RESULT:	KEPT IN COMMITTEE
----------------	--------------------------

206159: Requesting approval to amend Ordinances 2-322 and 2-323 re: municipal salary ranges.

RESULT:	KEPT IN COMMITTEE
----------------	--------------------------

206079: Requesting a transfer of \$2,576,212 from the Salary Contingency Salaries Account

to the Salary & Wage Stabilization Fund.

RESULT:	KEPT IN COMMITTEE
----------------	--------------------------

206080: Requesting an appropriation of \$1,737,203 from the Unreserved Fund Balance ("Free Cash") to the DPW Snow Removal Account to mitigate the Snow Removal deficit.

RESULT:	KEPT IN COMMITTEE
----------------	--------------------------

206086: Requesting the appropriation of \$376,387 from Unreserved Fund Balance ("Free Cash") to the DPW Sanitation Recycling Account to mitigate a Recycling deficit.

RESULT:	KEPT IN COMMITTEE
----------------	--------------------------

206087: Requesting the appropriation of \$607,279 from the Park Stabilization Fund to the General Fund Debt Service Account to pay for incurred debt service for FY18 Parks renovation and construction.

RESULT:	KEPT IN COMMITTEE
----------------	--------------------------

206089: Requesting approval of a transfer of \$20,000 in the Workers Compensation Department, from various Ordinary Maintenance Accounts to the Workers Compensation Wages Account to eliminate a year end deficit.

RESULT:	KEPT IN COMMITTEE
----------------	--------------------------

206090: Requesting a transfer of \$11,000 from the Veterans Services Professional & Technical Services Account to the Clerk of Committees Salaries Monthly Account to fund clerical support for the remainder of the fiscal year.

RESULT:	KEPT IN COMMITTEE
----------------	--------------------------

206091: Requesting a transfer of \$10,600 from the Pension Accumulation Fund to the Pension-Non-Contributory Fund to eliminate a year end deficit.

RESULT:	KEPT IN COMMITTEE
----------------	--------------------------

206081: Requesting the appropriation of \$1,000,000 from Unreserved Fund Balance ("Free Cash") to the Green Line Extension Stabilization Fund.

RESULT:	KEPT IN COMMITTEE
----------------	--------------------------

206082: Requesting the appropriation of \$1,000,000 from Unreserved Fund Balance ("Free

Cash") to the Facility Construction and Renovation Stabilization Fund.

RESULT:	KEPT IN COMMITTEE
----------------	--------------------------

206083: Requesting an appropriation of \$500,000 from Unreserved Fund Balance ("Free Cash") to the Community Preservation Act Fund.

RESULT:	KEPT IN COMMITTEE
----------------	--------------------------

206084: Requesting an appropriation of \$500,000 from Unreserved Fund Balance ("Free Cash") to the Capital Projects Stabilization Fund.

RESULT:	KEPT IN COMMITTEE
----------------	--------------------------

206085: Requesting an appropriation of \$500,000 from Unreserved Fund Balance ("Free Cash") to the Other Post Employment Benefits Trust Fund.

RESULT:	KEPT IN COMMITTEE
----------------	--------------------------

206078: Requesting an appropriation and authorization to borrow \$2,543,000 in a bond for Water Main Replacement.

RESULT:	KEPT IN COMMITTEE
----------------	--------------------------

206088: Requesting approval to appropriate \$18,855.55 from the USQ Revitalization Stabilization Fund for legal services.

RESULT:	KEPT IN COMMITTEE
----------------	--------------------------

206093: Requesting acceptance of a \$133,132.50 grant with no new match required, from the Boston Mayor's Office of Emergency Management to the Police Department for expenditures and backfill/overtime for the Special Response Team.

RESULT:	KEPT IN COMMITTEE
----------------	--------------------------

206094: Requesting acceptance of a \$120,000 grant with no new match required, from the Boston Mayor's Office of Emergency Management to the Police Department for expenditures, training and backfill/overtime for the Special Response Team.

RESULT:	KEPT IN COMMITTEE
----------------	--------------------------

206095: Requesting acceptance of a \$900 grant that requires a match, from the MA Council on Aging to the Council on Aging for exercise equipment.

RESULT:	KEPT IN COMMITTEE
----------------	--------------------------

205952: Requesting approval to pay a prior year invoice totaling \$90 using available funds in the Personnel Advertising Account for an advertisement on Idealist.com.

RESULT:	KEPT IN COMMITTEE
----------------	--------------------------

205954: Requesting acceptance of a \$94,622.16 grant with no new match required, from the MA Department of Public Health to the Health and Human Services Department for Tobacco Control Prevention.

RESULT:	KEPT IN COMMITTEE
----------------	--------------------------

205955: Requesting acceptance of a \$32,354.14 bequeath from the Estate of Mary M. Fontaine to the Council on Aging.

RESULT:	KEPT IN COMMITTEE
----------------	--------------------------

205957: Requesting approval of a time-only extension of the CBI Consulting House Doctor contract, to June 28, 2019, to allow for the closeout of construction projects.

RESULT:	KEPT IN COMMITTEE
----------------	--------------------------

205958: Requesting approval of a time-only extension to the contract with D&R General Contracting for the 2015 Street Resurfacing Project to April 30, 2019.

RESULT:	KEPT IN COMMITTEE
----------------	--------------------------

Handouts:

FY18-FY27 CIP Project List_June 2018_BOA

Long Range Forecasting Worksheet_62318

6-26-18 FY19 Long-Range Forecasting Update

FY-19 Budget Public Hearing Testimony

6-26-18 10 Year Revenue Projection