



CITY OF SOMERVILLE, MASSACHUSETTS
CLERK OF COMMITTEES

May 21, 2019
REPORT OF THE FINANCE COMMITTEE

Attendee Name	Title	Status	Arrived
William A. White Jr.	Chair	Present	
Mary Jo Rossetti	Vice Chair	Present	
Matthew McLaughlin	Ward One City Councilor	Absent	
Ben Ewen-Campen	Ward Three City Councilor	Present	
Katjana Ballantyne	Ward Seven City Councilor	Present	

The meeting was held in the Committee Room and was called to order by Chairman White at 6:01pm and adjourned at 7:42pm.

Other present: Stan Koty - DPW; Christine Morin - DPW; Frank Golden - Assessing; Annie Connor - Legislative Liaison; Candace Cooper - Personnel; Ed Bean - Finance; Frank Wright - Law; Mark Niedergang - Ward 5 City Councilor; Kimberly Wells - Assistant Clerk of Committees

Approval of the May 7, 2019 Minutes

RESULT:	ACCEPTED
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206099: City Solicitor submitting an Ordinance to replace Ordinance 5-32 regarding Fire Department salaries.

Ms. Cooper shared that the edited language changes the ordinance in relation to the salary of the Fire Chief Engineer to decouple the salary from the contractual language of the Firefighters' salaries. This will serve to make the salary more competitive and remove potential collective bargaining conflicts (the Chief position is not a union position, though it is within civil service). Formerly, there was no contract period, and this would further establish a maximum five-year contract term. The proposed range for the position has been recommended by a consultant to fall between \$175,000-\$180,000. President Ballantyne wondered about the comparison to the salary for the Chief of Police, given that the Fire Chief is the point person in a catastrophe. Ms. Cooper noted that the salaries are comparable to most other communities.

Chairman White moved to amend the ordinance to change instances of "board of aldermen" to read "City Council". The motion was approved.

RESULT:	APPROVED AS AMENDED
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207725: That the Administration discuss matching Newton's 41(A) tax deferral program

income limits and interest, which are \$86,000 at 2.5% interest, vs. Somerville's \$57,000 at 3% interest.

Mr. Golden shared that the Board of Assessors was excited to receive this request and to be a leader on this in the Commonwealth and therefore submitted item 208239 to match Newton's tax deferral limits and interest.

RESULT:	WORK COMPLETED
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208239: Requesting an adjustment to income limits and interest rates with respect to the senior property tax deferral under MGL c59 s5(41A).

Mr. Golden shared that there were 4 residents taking part last year and he hopes that this will help more people qualify.

RESULT:	APPROVED
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207953: Requesting approval to pay prior year invoices totaling \$37,778.81 using available funds in the Department of Public Works Buildings and Grounds and Highway Division Accounts for invoices received after the close of FY18.

Ms. Morin presented the invoices and noted that the invoice for \$29,705 was for unscheduled work that should have been processed as a change order. The error was not discovered until later in the fiscal year. The invoice for \$6,294.63 was submitted after the last fiscal year ended. The following two invoices for \$872.10 and \$907.08 were found during reconciliation from the vendor, which the department is working with to manage better processes going forward.

RESULT:	APPROVED
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208165: Requesting the appropriation of \$996,947 from the Unreserved Fund Balance ("Free Cash") Account to the Debt Service - Interest on Notes-BAN Account in order to pay interest on notes due on June 7, 2019.

Mr. Bean clarified that this stems from the Municipal Modernization Act and how it affects the use of premiums. On the BAN from last June, there was a substantial premium, which affected the budget for the interest on those notes. The expectation was to use the premium money to pay down the difference. The Department of Revenue, however, has stated that this must be used for new purposes. There is corrective legislation before the legislature currently, but until that passes, free cash must be used to pay the bill, with the intent that those remaining funds from the premiums will hopefully be available to net something down in the future.

Chair White made a resolution that was unanimously adopted asking that the Somerville Legislative Delegation support the corrective legislation, which was approved. Mr. Bean was asked to provide the title of the corrective legislation and Councilor Rossetti wants to insure that the City Clerk sends the resolution to the members of the delegation.

RESULT:	APPROVED
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202971: Green Cab requesting a waiver of Taxi Medallion fees.

See #206006

RESULT:

KEPT IN COMMITTEE

204989: That the Administration provide an update on the "DIF for Affordable Housing" plan identified as one of the Mayor's goals for the upcoming year.

Ms. Connor shared that this is a tool designed to be used for a specific project, and the project that was considered at the time is no longer outstanding.

RESULT:

WORK COMPLETED

205501: Requesting approval of an Administrative Order providing for the appointment of school physicians and nurses by the School Committee.

Ms. Connor will speak with the Chief of Staff to determine what is needed.

RESULT:

KEPT IN COMMITTEE

205663: That the Administration consider adopting MGL c58 s8(c), which would allow the city to abate a portion of outstanding property taxes to create affordable housing.

Mr. Golden shared that the Board of Assessors is excited about the potential for this ordinance, but is still in planning mode, and needs to spend more time to consider the overlay and tax liability. They would like to increase the overlay over time, at a percentage that works for the City, and incorporate this ordinance into those plans at a future time. For FY18, there was only \$400,000 available, and residential exemptions come out of the overlay for people who don't file timely, which totaled over \$300,000. The funds need to be there for abatements filed, so they are cautious about allocating funds for additional purposes. Mr. Golden agreed with the concerns that we need more affordable housing, but wants to be sure that the City can balance other needs as well. There was also a question as to whether this would be utilized in the current real estate market, where properties would have a substantial equity, even after deducting back taxes so that it would be unlikely anyone would take advantage of it.

RESULT:

WORK COMPLETED

206006: Requesting approval of a Clean Cab Proposal to waive taxi medallion fees for qualifying vehicles.

The number of vehicles totals 93, but only 3 are hybrid vehicles. The medallion cost is \$300 per cab, so the impact would be minimal. *Chairman White requested that a communication be sent to Green Cab to invite them to address this item and their own request to waive fees in item 202971 at the Finance Committee meeting to be held on September 24th.* The clerk is requested to note this item on the Agenda for that meeting.

RESULT:

KEPT IN COMMITTEE

206153: KP Law requesting this Board's consent to represent Powderhouse Studios, including its development of the new innovation school.

RESULT:

PLACED ON FILE

206235: That this Board discuss with the Administration and appropriate personnel, the implementation of an annual Municipal Revenue Growth Factor Report.

Mr. Bean shared that this is a state metric, primarily used by DESE (the Department of Elementary and Secondary Education) to calculate Chapter 70 aid to municipalities.

RESULT:	WORK COMPLETED
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206236: That this Board discuss with the Administration and appropriate personnel, the implementation of a Receipts Reserved for Appropriation Account for proceeds earmarked for particular purposes.

There are certain receipts that flow to this account by law, including parking meter receipts and sales of building assets. By doing this, these funds can be used to offset the tax levy. Councilor Rossetti wondered about building permits, and those go to the general fund. She asked further why those funds can't be allocated specifically for inspectional services or something similar and Mr. Bean clarified that it is not allowed by law.

RESULT:	WORK COMPLETED
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206737: SMEA President Ed Halloran submitting comments re: #205501, an Administrative Order for the appointment of school physicians and nurses by the School Committee.

See #205501

RESULT:	KEPT IN COMMITTEE
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206753: Finance Director responding to #206385 Re: Projected State Aid.

RESULT:	PLACED ON FILE
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206787: That the Administration update this Board on establishing a waste reduction position, ideally using revenue saved from reducing recycling and solid waste costs.

Chairman White wondered whether a position would be included in the forthcoming budget to address this and Mr. Bean noted that the budget is tight and there will be very few new positions.

RESULT:	WORK COMPLETED
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207059: That the Director of Personnel review the compensation for the Clerk of Committees and propose necessary modifications.

Ms. Cooper reviewed the salaries and is not recommending any changes at this time. Many communities have a full-time staff member that serves the Council or Board, rather than multiple part-time employees. Somerville pays the highest hourly rate, and there is an appropriate difference between junior and senior staff. President Ballantyne noted that the clerks are currently keeping timesheets to better understand and manage the workload.

RESULT:

WORK COMPLETED

207080: That the Administration present this Board's Committee on Finance with the preliminary test results for the ballfield at Conway Park, and, if existent, the remaining unopened portions of Conway Playground.

Ms. Connor noted that an update from the administration and website update were released on Friday. There is an upcoming public meeting scheduled to discuss the issue. Ms. Connor was requested to provide the remediation plan to the Finance Committee, which will address the issue at a future Finance Committee meeting.

RESULT:

KEPT IN COMMITTEE

207168: That the Administration and Director of Finance implement opportunities for community participatory budgeting for FY20.

Chairman White asked that we begin thinking about this for Fiscal Year 2021. Mr. Bean noted that it requires a significant amount of free cash, but could be considered in some manner for capital projects.

President Ballantyne moved to amend the order to replace Fiscal Year 2020 with "Fiscal Year 2021". The motion was approved.

RESULT:

WORK COMPLETED

207172: That the Director of SPCD work with this Board to create overlay districts or other policies for "Opportunity Zones" in order to maximize community benefits generated by developments in these areas.

Ms. Connor shared that Mr. Galligani and his team are researching possibilities. Chairman White noted that although this item does involve financial matters, it might also be appropriate in the Housing and Community Development Committee. Councilor Ewen-Campen noted that there are many different avenues in which this is being pursued, including grants applied for by both the City and the Somerville Community Corporation to conduct further research.

RESULT:

KEPT IN COMMITTEE

207248: That the Administration and Director of Finance discuss the impact to the budget if the FCC redefines cable franchising.

Councilor Rossetti is recused from this matter. Mr. Bean shared that he sees this as a threat. The strategy going into the upcoming fiscal 20 budget is to assume that there will be no general fund money, and to protect these services. They are working with the media center on strategies for how to sustain their operation if the funds are taken away.

RESULT:

WORK COMPLETED

207274: That Director of SPCD provide an estimate of projected short-term rental revenue under the new state law.

Mr. Bean noted that this will not provide a significant amount of revenue for the City. Ms. Connor added that there is a SomerStat analysis that was conducted when this item was before the Legislative Matters Committee, and she shared that with the Committee to review.

RESULT:	WORK COMPLETED
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207485: Reporting on recent School Committee activities.

RESULT:	PLACED ON FILE
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207496: That the Administration significantly increase the funding for traffic-calming physical infrastructure improvements in the FY20 budget.

Mr. Bean noted the concern and the intent to address this in some way within the budget.

RESULT:	WORK COMPLETED
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207549: Special Counsel responding to #207171 re: nondisclosure agreements with prospective developers or commercial tenants.

RESULT:	PLACED ON FILE
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207550: City Solicitor submitting the suit titled Somerville v. Purdue Pharma, filed in Middlesex Superior Court.

RESULT:	PLACED ON FILE
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207563: 23 residents submitting a petition re: #206486, a proposed order of taking at 217 Somerville Ave.

RESULT:	KEPT IN COMMITTEE
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207583: 62 residents submitting a petition re: #206486, a proposed order of taking at 217 Somerville Ave.

RESULT:	KEPT IN COMMITTEE
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207623: That the City Solicitor provide this Council with a written explanation of any City and State regulations regarding public notifications. (2nd request)

Mr. Wright shared that there is no specific statutory language about where items such as public hearing notices must be published; it simply must be a newspaper of local circulation, which for the City could be Somerville or Boston-based.

RESULT:	WORK COMPLETED
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207681: Assistant City Solicitor responding to #207623 re: state and local regulations on

public notices.

RESULT:

PLACED ON FILE

207740: Proposing an amendment to Ordinance 2-124 to permit the City Solicitor to settle legal actions of up to \$5,000 against the City.

Mr. Wright presented updated language to amend Ordinance Sec. 2-124 to permit the City Solicitor to settle legal actions, to account for situations in which the City Solicitor is unable to come before the City Council for approval, such as when before a judge and settlement authority is an immediate need. Mr. Wright shared that his office will continue to try to bring items to the Council prior to settlement, noting that such discussions will require executive session, and the Council will be notified after settlement in situations where prior approval is not feasible. Chairman White suggested that the council might provide a range for settlement prior to negotiations, and Mr. Wright worried that a range would have a cap, which could present a problem in negotiations. Chairman White will continue to update the language to better reflect what will likely occur in practice.

RESULT:

KEPT IN COMMITTEE

207741: That the Director of Finance report to this Council on the financial impact of the reduction in Cable TV Franchise Fees on the FY19 budget.

Councilor Rossetti is recused from this matter. Mr. Bean shared that the FY19 revenue is down by about \$75,000 from what was projected.

RESULT:

WORK COMPLETED

207947: That the Administration include in the FY20 Budget, the funding necessary to expand school cafeteria recycling and food waste reduction and collection programs to all schools.

Mr. Bean noted the concern and that it is being discussed.

RESULT:

WORK COMPLETED

208001: That the Director of Finance provide this Council a 10-year revenue projection before the Council's Finance Committee meeting on April 23.

Mr. Bean noted that he will share the long-range fiscal plan, the last version of which was received in December 2016, and to which there is an update available online from June. Currently, there are updates being made relative to new growth and how to fund the debt service for the High School building project. Chairman White noted that it is also important to look at the costs for the Public Safety building and any unscheduled work that is not included in the Capital Plan at present which the Administration intends to move forward on in the future. President Ballantyne requested that the most updated version be shared at the start of the budget process.

RESULT:

WORK COMPLETED

**208149: That the Administration consider including funds for the following FY20 requests:
1) An analysis of how to reach 30-40% deed-restricted units by 2040; 2) Project**

management, service delivery and coordination for out-of-school time, especially for underserved populations; and 3) A software engineer to support technology architecture and integration across divisions.

Mr. Bean noted these requests and will consider them within the budget discussions.

RESULT:	WORK COMPLETED
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208154: That the Chief Fire Engineer provide the Finance Committee with the allocation of apparatus while some city bridges are closed due to the GLX project.

The Chief's provided a written response, detailing that due to the Washington Street bridge closure, there is a crew of three manning a spare engine at 9 New Washington Street from Monday through Friday between the hours of 7am and 7pm. An additional SUV manned by two firefighters in Ball Square was discontinued after two weeks, as there was no increase in response times and there were concerns about traffic congestion.

RESULT:	WORK COMPLETED
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Handouts:

- Municipal Revenue Growth Factor (with 206235)
- Sample Pay Ranges (with 207059)
- Conway Park (with 207080)
- STR Data (with 207274)
- STR Memo (with 207274)
- Proposed Amendments (with 207740)
- Long-Range Forecast (with 208001)
- Response (with 208154)