



CITY OF SOMERVILLE, MASSACHUSETTS
CLERK OF COMMITTEES

February 23, 2021
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: Khushbu Webber-Mayor's Office, Emily Monea-Mayor's Office, Cathy Piantigini-Library, Frank Golden-Assessor's Office, Ed Bean-Auditor/Finance, Tom Galligani-OSPCD and George Proakis-OSPCD.

The meeting was held virtually and was called to order at 6:02 p.m. by Chairperson Scott and adjourned at 7:33 p.m.

Approval of the February 9, 2021 Minutes

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| RESULT: | ACCEPTED |
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Midyear Position Requests

211309: Requesting the use of \$27,211 in available funds in the Library Salaries Account to establish the position of Manager of Branch Services.

Ms. Piantigini stated this is a new position and not in the budget. There was an assistant position that was held for a while and was just recently filled with an internal candidate. The library has a couple of vacancies to fill including the assistant position. The manager of branch services is for the West Branch library that is really close to coming on line. The duties of the job go beyond that and would offer support for the East branch library, as well. One of the performance improvement requests was to have a pilot branch in Assembly Row but was put on hold due to COVID-19. This would be another duty under this new position.

Councilor Rossetti asked if the West Somerville branch will have a community gathering area and will the new person have oversight of the area. Ms. Piantigini stated the new person will have responsibility over the area and they are currently drafting a librarian position for programming along with other responsibilities for the gathering space.

Chair Scott asked if any positions were eliminated when the West Somerville Library closed. Ms. Piantigini stated that no positions were eliminated and one person retired and was not replaced.

Councilor Mbah asked if the library is expanding services. Ms. Piantigini stated the library was working on a proposal for this fiscal year to pilot a branch library in Assembly Square in a store front.

Ms. Piantigini stated they would use the lag money to fund the positions until the end of the fiscal year.

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| RESULT: | APPROVED |
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211224: Requesting the appropriation of \$36,720 from the Salary and Wage Stabilization Fund to the Executive Office Salaries Account to establish two new Racial & Social Justice staff positions.

Ms. Monea talked to key points from the memo that was attached to the request. She stated the process has been time intensive and they are very close to hiring someone for the position. They have heard from the community to move quickly on filling the racial and social justice position. As discussed at the budget meeting, the director would hire the staff. The purpose of filling the staff positions now would give the director a “head start” with additional resources. They propose hiring two positions, an outreach coordinator and a mental health and social service emergency response coordinator who would sit in the police department.

Councilor Rossetti asked if the two new positions had been discussed in the interview process. Ms. Monea stated she has not been part of the interview process. Ms. Webber stated the committee has not discussed these specific positions with the candidates. What has been discussed with the candidates is that upon joining the office, they will have the ability to shape and form the department to meet the vision that they view for racial and social justice within Somerville. Councilor Rossetti suggested that the city should hold off hiring and let the director of racial and social justice pick the staff.

Councilor White asked what the lag time is for hiring the director. Ms. Monea believes they may be making the decision to hire the new director in two to four weeks. Ms. Webber stated the committee will be meeting this weekend to make recommendation. The next step would be for the personnel department to check references and make an offer which could be two weeks to a month.

Councilor Mbah asked for clarity if this request is for the funding or would they plan to hire before the director is hired. Ms. Monea states the director would select the individuals that would go into the positions. Councilor Mbah would like to wait until the director is hired before hiring the staff positions.

Councilor Ballantyne asked how long it would take before the job descriptions get posted. Ms. Monea stated they have drafts of job descriptions that could be posted soon and would post until position is filled. Ms. Monea stated the labor market has been very challenging to fill several city positions.

Councilor Ballantyne would support this proposal to approve this now and post. Then when the director is hired, that person could review resumes and select the staff.

Chair Scott shares the same concerns as Councilors White, Rossetti and Mbah and not inclined to support this request at this and leave in committee as drafts.

Councilor Rossetti requests that as soon as someone is hired, the administration schedules a meeting to have a discussion on these requests. Chair Scott will call a special meeting once the director is hired to address the approval for the new hires.

Councilor White stated they may not need a committee meeting and can be addressed at city council meeting.

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| RESULT: | KEPT IN COMMITTEE |
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DIF Funding Request

211308: Requesting the appropriation of \$55,000 from Unreserved Fund Balance to the SPCD Economic Development Professional & Technical Services Account, to conduct a District Improvement Financing analysis for the Boynton Yards, Clarendon Hill, and Union Square redevelopment projects.

Mr. Galligani seeking appropriation to hire consultant services to complete three tasks. One to prepare feasibility and DIF plan for Boynton Yard, Clarendon Hill and checkup evaluate and report on the progress for the last DIF approved for Union Square DIF. For Boynton Yards and Clarendon Hill portion of work, they would do analysis, evaluate opportunity for growth, work with finance to model their financing, to evaluate the potential for increased tax revenue, structure analysis, and prepare DIF plan. This effort will help understand funding opportunity on Boynton Yards. The DOJ has permitted a master plan.

Mr. Proakis noted that he would work with the development in Boynton Yards and it requires infrastructure costs. There is a portion at Boynton Yards for the city to pay overall infrastructure for the development to work. The goal is to refine and understand the costs using the DIF tool. In the past, the city has leaned on a consultant to help understand. Clarendon is a straight forward arrangement which is owned by housing authority and generate zero tax dollars for City of Somerville. In order to upgrade the Clarendon site, the city has committed to additional costs. There's \$4M committed to the project. The city is looking at the tax increment to see if bonding may make sense to use the DIF tool that will give more borrowing power. Mr. Bean stated the DIF gives statutory flexibility on borrowing. The city can borrow with level debt service, level principle payments with DIF and could borrow short term. With Boynton Yards the infrastructure will primarily be water and sewer funded by water and sewer rates.

Councilor White had concerns which were addressed. He discussed one of the first DIF was for Assembly Square and wanted to make sure that all the taxes flowed into the general fund and resident received benefits of the tax revenue. The second point was the minor upfront cost to do the DIF and gives additional flexibility.

Mr. Bean feels this is a bargain to hire the consultant services for \$55,000 for all three locations.

Councilor White stated this is just the preliminary, then the city will examine the assumption and what the projected revenue will be for the city.

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| RESULT: | APPROVED |
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Stabilization Fund Transfers and Free Cash Discussion

211270: Requesting approval to appropriate \$1,909,945 from the Unreserved Fund Balance ("Free Cash") to the Facility Construction and Renovation Stabilization Fund

Mr. Bean discussed the reconciliation process back in December, with the CARES Act money was to expire December 31st. He stated there was a need to appropriate funds for small businesses and borrow funds from stabilization fund to support the community. The goal was to replenish once Free Cash was certified which happened in late January for over \$16M.

Mr. Bean established the stabilization fund in 2014 on his recommendation and had the largest capital project which was the high school and for remodeling or any type building repairs. The city approached the voters and committee with the finance plan for the city's cost of \$130M in debt inclusion borrowing with the cash goal of \$5.950M. There are now unanticipated costs involved for the high school relating to the CARES Act including daily disinfecting for \$571,000. Additionally, there's a need to pay for a Green Line related elevator drawing that's \$109,000 and electrical conduit work.

Councilor Rossetti did have a high school building meeting yesterday. She has concerns about the budget's contingency line nearly \$3M over the budgeted amount. Councilor Rossetti stated it appears the city will need more money to assist with the project. She will continue to watch the unexpended lines very closely as the project continues. There were three phases with high school demolition and found asbestos. The costs are not fully determined yet. Not sure how long the current discovered pipe is and if the soil has been impacted. Everything in the area had to be treated which slowed down the project. There is over \$700,000 left in that portion of planned budget (asbestos related). The COVID related costs, however, are still growing. The high school had to pay for modular which was not planned. Chair Scott asked Councilor Rossetti to send a written summary to include in communication so that he can refer back to it. Councilor Rossetti will report out on this item at Thursday's meeting, as well.

Mr. Bean stated he will ask PMA to put the numbers together and send back to Councilor Rossetti.

Chair Scott questioned going out to bond and he feels it's worth discussing the use of Free Cash which has more flexibility.

Councilor Rossetti stated the citizens voted based on numbers they were told about how much the project would cost the residents. She is not in favor of any more bonding for this project. Chair Scott feels the costs should be made visible to the community. Councilor White stated the Free Cash is a substantial amount. There are very few months left of this fiscal year and doubts the funds would be expended before the end of the fiscal year. Mr. Bean stated the Free Cash is roughly \$16M and if this request (and the others on tonight's agenda) is approved the balance would be around \$10M.

RESULT:

APPROVED

211271: Requesting approval to appropriate \$1,843,117 from the Unreserved Fund Balance ("Free Cash") to the Rainy Day Stabilization Fund to replenish reserves used to create the

Small Business Emergency Relief Fund

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| RESULT: | APPROVED |
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211272: Requesting approval to appropriate \$1,500,000 from the Unreserved Fund Balance ("Free Cash") to the Street Reconstruction and Resurfacing Stabilization Fund to replenish reserves used to create the Small Business Emergency Relief Fund.

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| RESULT: | APPROVED |
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211273: Requesting approval to appropriate \$1,000,000 from the Unreserved Fund Balance ("Free Cash") to the Capital Stabilization Fund to replenish reserves used to create the Small Business Emergency Relief Fund.

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| RESULT: | APPROVED |
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