



CITY OF SOMERVILLE, MASSACHUSETTS

CLERK OF COMMITTEES

June 22, 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 | |
| Wilfred N. Mbah | City Councilor at Large | Present | |
| Ben Ewen-Campen | Ward Three City Councilor | Present | |
| Mary Jo Rossetti | City Councilor at Large | Absent | |

The meeting was held via GoToWebinar and was called to order by Chair Scott at 6:02pm and adjourned at 9:52pm.

Councilor Rossetti was unavailable and President McLaughlin appointed Councilor Ewen-Campen to serve on the Finance Committee for the purposes of this meeting.

The Committee entered into recess at 8:33pm and returned at 8:40pm with all members present.

Others present: Lauren Racaniello - Mayor's Office; Hannah Carrillo - Mayor's Office; Ed Bean - Finance; Mike Mastrobuoni - Budget; Jill Lathan - DPW; Chad Whiting - Water & Sewer; Alex Lessin - Water & Sewer; Denise Taylor - Communications; Eileen McGettigan - Law; Gregory Jenkins - Arts Council; Rich Raiche - IAM; Haleemah Qureshi - IAM; Doug Kress - HHS; Suzanne Rinfret - Traffic & Parking; Ashley Speliotis - COA; Alan Inacio - OSPCD

- 1. Review of the FY-22 Budget** The Chair reminded the audience that the budget details are available at somerillema.gov/fy22budget.

Enterprise Funds

The enterprise funds are comprised of the Kennedy Pool, Dilboy Field, and Veterans Memorial and Founders Rinks.

Ms. Lathan shared that the Kennedy Pool was able to remain open, with restrictions, through the pandemic, and is now open to all residents with lessons returning this summer. Councilor White asked for an explanation of the fees and Ms. Lathan elaborated that there are fees for lessons, lap swim, and for groups to use the pool, such as school meets. The Somerville Public Schools and YMCA are not charged for use of the pool. Councilor White suggested exploring whether the fees could be removed for Somerville residents. He asked as well what the outreach was for non-English speaking families and Ms. Lathan agreed that

a partnership with Parks and Recreation to create programs could be researched. Councilor Ballantyne echoed the support for outreach to vulnerable communities and asked if there were partnerships with the public housing entities, and Ms. Lathan noted that many take advantage of the programs offered through the summer camps and schools. Councilor Ballantyne also asked about the electricity line item, and Ms. Lathan elaborated that the electricity costs have shifted from the DPW to better capture the true costs for the pool. Ms. Lathan added that the Dilboy track and field are under construction, with renovations expected by early September. The field usage was limited in the early stages of the pandemic, and gradually increased. There will be some revenue lost to the closure over the summer for renovations. Councilor White asked about the status of the retained earnings and Ms. Lathan noted that an evaluation will be conducted as the field reopens, and the discounted rates for Somerville youth are expected to continue. She anticipated that approximately \$10,000 would be left in retained earnings. Councilor Ballantyne asked about the electricity line here as well, and Ms. Lathan explained that the increase appears greater because the adult leagues were not using the lights in the evenings last year due to a pause on activities during the pandemic. Councilor Mbah encouraged the addition of a crosswalk, and Ms. Lathan will continue to work with Mobility to address that concern. Councilor Mbah asked as well about the line item for uniforms and Ms. Lathan clarified that it is for protective gear for outdoor work. Councilor White emphasized that if the funds in the enterprise fund budgets are not spent, there are more retained earnings, rather than a transfer to the general fund.

Ms. Lathan also shared that there is a 5 year agreement with the DCR to oversee the management of the rinks. The City will not be pursuing this for the Veterans rink, but will be pursuing an RFP for management of the Founders rink, and the City will no longer be responsible for the operational costs of the Veterans rink. There will likely be a significant decrease in this budget when a new vendor is selected to take over the oversight of the Veterans rink for the state. Councilor Mbah asked about the liability and if there is no insurance. Ms. Lathan noted that the insurance falls under the City's purview and Mr. Bean added that it falls under the Treasurer's office. Councilor White asked about the retained earnings, much of which were realized through savings from lack of use in the pandemic, as well as restructured vendor billing processes, and fiscal oversight. Mr. Bean clarified that there is currently a subsidy from the general fund, and emphasized that the vendor that is selected will impact the earnings and the bids will be reviewed carefully. Councilor Ballantyne noted that the IAM budget has funds allocated for repairs to the Founders Rink and Ms. Lathan clarified that an RFP has been released already, but regardless of who the operational management vendor is, any building issues are the responsibility of the City. Chair Scott asked for information about the RFP for the Veterans Rink, and Ms. Lathan elaborated that DCR has not released it yet. Chair Scott also asked about the personnel who work at the rink, and there may be opportunities for the new management to absorb those employees, but the City positions will be eliminated. Chair Scott asked whether those positions are represented by a union, and they are not. Ms. Lathan will also research other City positions that may be a fit for the two employees affected. Councilor White asked what changed relative to the City's interest in the facilities. Ms. Lathan clarified that the City is seeking a community partner to oversee both rinks, and DCR will prioritize the awardee for

their contract as well. The RFP is explicit about requiring that priority scheduling be given to City programs. Ms. Lathan also clarified that the Veterans Rink building is owned by the state, and the City has been given the bid to manage it in the past, and also own the property around it. The City owns the Founders Rink. Councilor White also asked when the contractor's work would begin and Ms. Lathan noted that it depends on DCR awarding their contract. The budget as presented assumes that the City will continue operations. Chair Scott expressed that the operating budget for the rinks leaves him with reservations about how accessible those resources will be, given that it is currently operate and subsidized by the City as a public good.

Chair Scott moved that the administration reconsider their position to decline to bid on the Veterans Memorial Rink RFP and to place the Founders Rink management out to bid for an RFP. The motion was laid on the table.

Revolving Funds

Ms. Lathan noted that the Summertime and DPW Special Events revolving funds are the same as prior years and Mr. Bean added that the others are as well. Councilor Ewen-Campen asked about the revenue generated by Nibble Kitchen and Mr. Jenkins noted that due to COVID, revenues were off, but brought in approximately \$67,000, with more expected this year.

PEG Access

Ms. Taylor reinforced that the City TV staff has been doing great work. Chair Scott asked for conformation that the salaries are 100% funded by the PEG Access fund and Ms. Taylor confirmed that they are. Councilor White asked Ms. Taylor to elaborate on the fund and she noted that the fees are collected from Comcast and RCN, who pay a percentage of profits from cable. The public channel is run by the Somerville Media Center (SMC), who receives 1/3 of the fees, and the City receives the other 2/3 for the education and government channel programming. Anything remaining is returned to the general fund. The franchise fees have been declining as more people "cut the cord", and a 12% decline is anticipated for FY22. The City has also agreed to a new contract with the SMC which holds their contributions steady, to provide them some stability. Mr. Bean clarified that surplus operations funds remain in the fund.

Water and Sewer

Chair Scott explained that these are funded through charges assessed to rate payers, and cover the maintenance and operations of the water and sewer systems. Mr. Whiting highlighted that filling vacancies is a priority. Additionally, a water meter replacement program will be launched beginning in the summer, and integrating the system into the asset management program is another ongoing project. Mr. Bean confirmed that the enterprise funds are considered by the bond rating agencies in their evaluations. Chair Scott also asked for information on the lead service program and Mr. Lessin clarified that it is funded by an MWRA grant, and the work is executed by a contractor. If the City staff replace lines that they discover, the work is funded through the water service replacement

capital line.

Councilor Mbah asked about the personnel increase and Mr. Whiting noted that a few positions were reclassified and an additional clerk position is requested. Councilor Mbah asked about affordability and Mr. Whiting elaborated that a rate study identified a need in approximately 2,800 households, and the department is working on a process to provide relief for those who are burdened by the rate increases. He elaborated that the rate increases are intended to protect ratepayers from a spike when necessary capital projects are completed. Councilor Ewen-Campen asked why the capital spending year-to-date is \$1.4M out of \$3M budgeted and Mr. Lessin clarified that the budget is 98.7% spent at this point in time. Councilor Ewen-Campen also asked about the water meter replacement program and Mr. Whiting elaborated that meters that have been in service beyond their useful life expectancy will be replaced, to facilitate accurate reading and billing. Mr. Lessin added that the line items related to this program are with Meter & Parts, and Meter Installation within both the Water and Sewer enterprise funds. Residents can expect to benefit from hourly rather than daily reads, which can identify issues as they occur. The City is committed to never shutting water off, and remote shut-offs will not be pursued as part of the updates. Mr. Whiting added that there will be communication about this, and the process may take 1-2 years to complete. Councilor White emphasized that any surplus is kept within the fund as retained earnings, and the goal is to increase those reserves to offset rate spikes as work is undertaken, and to provide funds in the event of an emergency. Chair Scott clarified that the fund is currently operating at a deficit. Mr. Lessin confirmed that the revenue projection in the budget is based on the proposed rates. The anticipated \$1M from the stabilization fund to supplement the operating budget accounts for the new rates. Chair Scott emphasized that even the new rates will not cover the costs of operating the water system. Councilor White added that the consideration of a potential transfer of \$1M had little impact on the rate increase, and Mr. Whiting added that the department felt a better focus would be on the affordability program, to direct the subsidy where the need is greatest. Councilor Ewen-Campen agreed that the affordability program has a greater impact and he is supportive of it and the move toward equity. Councilor Ballantyne also expressed support for the affordability program and emphasized that the communications and outreach effort is imperative to the process. Councilor White asked what the impact of new commercial users would be and Mr. Whiting noted that the City's water fees are paid through a community-share process in the MWRA. It can be difficult to shift the ratio, but large commercial users could have an impact.

Chair Scott identified 14 vacancies within the Water and Sewer departments and Mr. Whiting confirmed 4 in Water and 4-5 in Sewer, and there may be some others that are under Engineering. It is difficult to find trained and licensed individuals, but there is a commitment to recruiting and bringing the department to full staff, as there is significant savings from performing work in-house. He noted that the City benefits are excellent and there is a stipend program for licensure, but the hourly wages in the private sector can be difficult to compete with.

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

Chair Scott noted that this is an old item, from approximately two years ago, and the objections that were raised at that time have been collectively bargained and are no longer at issue. Councilor Ewen-Campen asked for time to review this with some constituents.

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| RESULT: | DISCHARGED W/NO RECOMMENDATION |
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211857: Director of Water and Sewer submitting the FY22 water and sewer volumetric rate recommendation.

Chair Scott noted that Councilor White had previously suggested exploration of alternative options, and Councilor White confirmed that following the previous discussion, he supports this proposal.

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| RESULT: | APPROVED. [UNANIMOUS] |
| AYES: | Scott, Ballantyne, White Jr., Mbah, Ewen-Campen |

212033: City Solicitor requesting approval to retain Greenberg Traurig as outside legal counsel in the matter of 191 Highland Avenue.

Ms. McGettigan noted that the order of taking was recorded on June 1st, at which time title passed to the City. The Law Department requested outside counsel with special expertise in the eminent domain field, Greenberg Traurig. Chair Scott confirmed that the anticipated challenge is to the pro tanto amount, not to the taking itself. Councilor White asked the hourly rate, and the discounted municipal rate is \$650.

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| RESULT: | APPROVED. [UNANIMOUS] |
| AYES: | Scott, Ballantyne, White Jr., Mbah, Ewen-Campen |

5. Possible Executive Session to discuss item # 212033.

212057: Requesting an appropriation and authorization to borrow \$11,318,094 in a bond for the Spring Hill Sewer Separation Project and drainage improvements.

Mr. Raiche explained that this is one part of the Union Square Infrastructure Program, initiated in 2017. The design phase is complete and ready to go to bid, in anticipation of breaking ground this year. MWRA, DEP, and EPA require stormwater separation. The sewer system modernization is the driver of the project, rehabilitating existing pipes and constructing second pipes to separate sanitary sewer and storm drain. Logistics require relocation of several gas and water mains. The water system improvement plan also identified mains at risk and the consequence of failure, and this area includes many high risk and high consequence water mains, and addressing this need while the work is being done will enable some efficiencies to be realized. Additionally, streetscape restoration can be completed as part of the project, which will focus on Central, School, and Summer Streets. The streetscape design was informed by a community process, which also brought issues on Highland Avenue to the forefront. A separate contract for surface restoration will be pursued, and the Mobility Division is conducting more community engagement around that before passing it over to Engineering. The updates will include benefits beyond Union Square, such as citywide mitigation and upgrades. There is grant from FEMA also

in progress, but the City likely will not learn of a decision by October at the earliest. If the grant is received, a portion of the appropriation will not need to be borrowed.

Councilor Ewen-Campen highlighted the street safety component, noting that this has been a longtime need. He raised a concern about the work on Central Street between Highland and Summer Streets, noting that the Somerville Museum is worried about losing parking for visitors. Mr. Raiche agreed that these details are important and the construction impact outreach is a critical part of the project. Ms. Qureshi added that Mobility's proposed solution of two-hour parking on side-streets is a good start and the department looks forward to continuing the conversation. Councilor Ewen-Campen also shared concerns about the impact of the traffic shift on neighboring streets. The Mobility Division is working on understanding the impacts and developing a plan for Benton Road to devise a change, as needed. Councilor Ewen-Campen also asked about the outreach around Highland Avenue for bi-directional public bicycle lanes and construction impact and Mr. Raiche noted that the target is to release the bids in July, and having a contractor on board with a preliminary schedule is important before holding public meetings. The most likely timeline will have this taking place in October. Mobility is leading the Highland Avenue effort and will be starting outreach in late August through October, in order to get higher engagement levels. Councilor Ewen-Campen emphasized that this is part of a multi-year comprehensive project and the end goal justifies the size of this request.

Councilor White asked if the Stantec study was based on certain expenditures to be paid for out of the water and sewer enterprise fund and Mr. Raiche confirmed that this is correct and the debt service schedule was input into the projection model. The Poplar Street Pump Station and a few (approximately four) placeholder projects were also included, with the expectation that new projects will begin every 2-3 years. Councilor Mbah asked how the funds will be allocated and Mr. Raiche noted that the Engineering Department continually updates the Finance Department on their spending schedule, and both short and long-term debt will be planned over a 3-4 year period. Mr. Bean added that the debt service will be recalculate to account for more positive borrowing conditions. Chair Scott asked whether the Commission for Persons with Disabilities had reviewed the plans and what the plan is for including them in the process, and Mr. Raiche emphasized that everything is ADA compliant, and Ms. Qureshi noted that they were included in the process, along with the Pedestrian and Transit and Bicycle Committees. Feedback was given on the designs, particularly a lack of accessible parking spots.

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| RESULT: | APPROVED. [UNANIMOUS] |
| AYES: | Scott, Ballantyne, White Jr., Mbah, Ewen-Campen |

212058: Requesting an appropriation and authorization to borrow \$9,415,818 in a bond for the Spring Hill Sewer Separation Project water improvements.

See 212057.

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| RESULT: | APPROVED. [UNANIMOUS] |
| AYES: | Scott, Ballantyne, White Jr., Mbah, Ewen-Campen |

212059: Requesting an appropriation and authorization to borrow \$8,002,417 in a bond for the Spring Hill Sewer Separation Project streetscape improvements.

See 212057.

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| RESULT: | APPROVED. [UNANIMOUS] |
| AYES: | Scott, Ballantyne, White Jr., Mbah, Ewen-Campen |

Unfinished Business

(ID # 24993): That the mayor allocate appropriate funds for hardware to administrate hybrid meetings and also provide funding for the City Council or Clerks of Committees budget for support staff.

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| RESULT: | LAI D ON THE TABLE |
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(ID # 24992): That the administration strike the language “related to ongoing/exiting litigation” from the 3rd paragraph of the Ordinary Maintenance Changes narrative on the City Council page in the FY-22 Budget book.

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| RESULT: | LAI D ON THE TABLE |
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(ID # 24994): That the mayor set aside an additional \$300,000 in a segregated fund to be available for Racial and Social Justice appropriations mid-year.

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| RESULT: | LAI D ON THE TABLE |
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(ID # 24995): That the mayor appropriate \$80,000 for a community engagement specialist for the City Council and for committee meetings.

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| RESULT: | LAI D ON THE TABLE |
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(ID # 24996): That the mayor create 2 fully funded new positions (one Review Planner and one Violation Inspector for existing infrastructure) within ISD, requiring hires to have demonstrable experience and knowledge on ADA compliance matters.

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| RESULT: | LAI D ON THE TABLE |
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(ID # 24997): That the administration provide for the creation of a position starting July 1, 2021 for a clerk to assist with the planned superannuation of an employee and ensure a fully staffed department, in the amount of \$90,000 for FY22.

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| RESULT: | LAI D ON THE TABLE |
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(ID # 24998): That the administration provide for the creation of a position starting October 1, 2021 for an administrative clerk to assist with ARPA and fund tracking documentation, in the amount of \$50,000 for FY22.

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| RESULT: | LAID ON THE TABLE |
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(ID # 24999): That the administration devote roughly \$100,000 in personal services to support the position requests of an additional projector manager and the fractional support from the general fund budget for administrative support for IAM.

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| RESULT: | LAID ON THE TABLE |
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(ID # 25000): That the administration devote \$1.5 million as requested for the building reconstruction (line 582002) and improvement (line 582003) in Capital Projects.

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| RESULT: | LAID ON THE TABLE |
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(ID # 25001): Councilor Scott moved that the administration devote \$500,000 for street repairs (line 588002) in Engineering.

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| RESULT: | LAID ON THE TABLE |
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(ID # 25002): That the administration add \$100,000 to Engineering Personal Services to fund an engineering position for implementation of short-term ADA compliant designs for street and building improvements working in collaboration with DPW.

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| RESULT: | LAID ON THE TABLE |
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(ID # 25017): That the Police Department Overtime line (513000) be reduced by \$500,000.

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| RESULT: | LAID ON THE TABLE |
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(ID # 25023): That the Administration reconsider its proposed budget by incorporating 10% of ARPA funds towards the FY-22 Budget, given the increase in Water and Sewer rates, Real Estate Taxes, and the High School debt exclusion, coupled with a 9% increase in the proposed FY-22 Budget.

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| RESULT: | LAID ON THE TABLE |
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