



City of Somerville, Massachusetts  
Office of the City Auditor  
Katjana Ballantyne  
Mayor

**To:** Finance Committee Members  
**From:** Ed Bean, Finance Director  
**Date:** January 21, 2023  
**Re:** Council Order 22-1517 –“ *That the Director of Finance and the Budget Director update this Council on the progress of the free cash certification and any anticipated plans for additional free cash use*”.

**In reference to this Council Order, as of this date January 21, the Department of Revenue has yet to certify Free Cash for a number of Massachusetts communities, including Somerville.**

**On Friday, January 20<sup>th</sup>, I attended a workshop presented by the Department of Revenue at the Annual Meeting of the Massachusetts Municipal Association in Boston. DOR administrators explained to the over 200 municipal officials attending this session that unprecedented staff shortages in the agency led to the delay in processing the Balance Sheets for free cash certification. DOR also noted that staff emphasis was placed on approving municipal tax rates in the month of December.**

**My own inquiries indicate that Somerville is number 3 in the queue for processing leading me to believe that we will likely see certification sometime this week.**

**All appropriations need to conform to Department of Revenue Guidelines and be made prior to June 30, 2023.**

**We expect to have more detailed conversations with the Finance Committee once we know the parameters.**