



City of Somerville, Massachusetts

City Council Finance Committee

Meeting Minutes

Tuesday, June 4, 2024

6:00 PM

Committee of the Whole

The meeting took place virtually via Zoom and was called to order at 6:00PM by Chair Wilson and adjourned at 7:50 PM on a roll call vote of 10 in favor (Councilors McLaughlin, Davis, Mbah, Strezo, Pineda Neufeld, Ewen-Campen, Clingan, Burnley, Scott and Wilson), none against and 1 absent (Councilor Sait).

Others present:

Kimberly Wells – City Clerk, Michael Mastrobuoni – Budget Director, CFO, Kimberly Hutter – Legislative Liaison, Madelyn Letellier – Legislative Services Manager, Peter Forcellese – Legislative Clerk.

The committee recessed at 6:42 PM and reconvened at 6:48 PM

Roll Call

Present: City Councilor At Large Jake Wilson, Ward Two City Councilor Jefferson Thomas (J.T.) Scott, City Councilor At Large Willie Burnley Jr., Ward Four City Councilor Jesse Clingan, Lance L. Davis, Ben Ewen-Campen, Wilfred N. Mbah, Matthew McLaughlin, Judy Pineda Neufeld and Kristen Strezo

Absent: Ward Two City Councilor Naima Sait

1. Public Hearing regarding the FY 2025 Budget

Chair Wilson laid out the format for the public hearing and said that speakers will have 2 minutes each to weigh in on the proposed budget.

Chair Wilson opened the public hearing at 6:09 PM. Fourteen individuals presented their thoughts and concerns as follows:

- Requested that the municipal workers contract and affordable housing be addressed,
- Union workers' pay not keeping up with the rising cost of living,
- \$6 million contingency budget won't be enough to settle all contract equitably,
- Employees must be paid fairly and equitably,
- Units A,B D have gone over 700 days without contract and the responsibility lies with the mayor and shows a lack of respect for city employees,

- Present city debt is \$337 million today and using cash reserves could threaten the city's AAA rating,
- Requested support for a curbside recycling program,
- Supports SMEA and asked that the city meet the cost of living needs of employees, noting that the Mayor has asked for an increase in the Executive staff budget,
- The Mayor has allocated funds in budget for a composting program, so this is the City Council's opportunity to take action,
- Supports public safety for all manager - the Administration is moving slowly on public safety issues,
- Requested the City Council to make cuts in the budget if the Mayor does not negotiate with the SMEA before cut night,
- Streets and sidewalks are inaccessible, rents are going up and there is an opioid crisis. Start solving problems by paying union workers fair living wage and if this isn't done by June 18th, cut Executive salaries back to 2021 levels,
- Treat everyone fairly, address salaries and settle contracts,
- Address affordable housing,
- Requested that that rental assist, barter program and tenant organizing be continued,
- Commented about rental assistance and the city losing long time residents,
- Support for housing issues and asked the Council to keep in mind that safe housing is as important as shelter.

Chair Wilson closed the public hearing at 6:41 PM. The record will remain open until 5:00 PM on June 17, 2024 to receive additional written comments. Comments should be sent to:

publiccomments@somervillema.gov
<<mailto:publiccomments@somervillema.gov>>

2. Review of the FY 2025 Budget

Chair Wilson asked that motions be held until after each department's presentation for action on June 18th.

- **City Council**

City Clerk Wells reported that no changes are being proposed. The City Council received \$60,000 to be used for part time employees (Financial Analyst) and another staff person to be hired in the near future.

- **Clerk of Committees**

City Clerk Wells explained that the budget appears to have changed but actually some funds have been shifted elsewhere.

- **City Clerk**

City Clerk Wells said that the organizational chart shows a position for an Electronic Records Program Manager, noting that the updated zoning ordinances will be going live soon, followed by the code of ordinances by the fall. Additionally, MinuteTraq data will be migrated into Legistar this year and training videos are being developed to explain the process of locating data.

Councilor Scott commented that the archivist position has not been upgraded to NU11 yet and City Clerk Wells said that the Assistant Archivist position is still on the books. She believes that changes can be made to align salaries when the classification compensation study is completed.

- **Licensing Commission**

City Clerk Kimberly Wells reported that there are minimal changes to this budget as alternate members have been added to the Licensing Commission and are funded at half of the full member stipend.

- **Revolving Funds**

Budget Director Mastrobuoni explained that approval of the Revolving Funds sets the cap for each fund.

Chair Wilson noted that the SCP Disabilities Revolving Fund wasn't listed and Director Mastrobuoni said that the balance in that particular fund was \$248,236 as of the end of April. Those funds are used for attending disability pride nights, and scholarships at a cost of about \$75,000.

- **PAYGO**

Director Mastrobuoni said that these monies are used to fund capital projects. He noted some changes to the budget, including \$500,000 for vehicle purchases, \$816,000 for street reconstruction, \$500,000 for building improvements, and rent for the TAB building. Director Mastrobuoni noted that the city currently does not have a fleet manager, so he's not sure where the vehicles will be going.

Councilor Ewen-Campen asked why the amount for road paving and reconstruction is less than previous years and Director Mastrobuoni replied that the city has been coming back to this line after budgets are approved and will continue to grow the line as time passes. Councilor Burnley requested an itemized list for the new vehicles and Director Mastrobuoni said that he could provide a list of the FY24 procurement as an example of what will be purchased in FY25.

- **Debt Service**

Director Mastrobuoni said this is the cumulative amount of principal and interest built up and not yet paid off. He will post a list of Bond

Anticipation Notes (BAN) to the debt service page on the city's website. Councilor Mbah asked about the flat interest for FY25 and Director Mastrobuoni said that some bond issues closed out and there hasn't been a lot of borrowing over the past few years, so budgeting is about the same. Director Mastrobuoni noted that the initial work to the Edgerly School is included in this budget. Councilor Mbah asked about balancing debt vs. cash and Director Mastrobuoni said that keeping debt below 10% is a healthy position and that the city is around 5%. Councilor Ewen-Campen asked about the ration of debt service to the overall budget and Director Mastrobuoni said that the FY25 debt is \$21.7 million out of the projected \$360 million revenue, so the ration is 6%.

- **State Assessments**

Director Mastrobuoni explained that these are payments made to the state, air pollution control, MBTA, education assessments, school choice, etc.. Councilor Mbah asked why the Charter School line was reduced by 4.5% or \$400,000 and Director Mastrobuoni said that it's a variable item based on the estimated number of students multiplied by the tuition. The number changes in the fall, so it's not really predictable until then. If there were to be a high variance, it would go into the recap budget.

- **Unemployment Compensation**

Director Mastrobuoni reported that the budget was maintained at a level amount. Councilor Mbah asked if is affected by the FMLA and the Director said that FML is separate. Councilor Burnley asked about actuals for FY23 and if the trend is going down. The Director said that it's variable and although it is used for some severance, it's not used for voluntary severance. There is some room to come down going forward, but he's comfortable with the number.

- **Pension**

Director Mastrobuoni said that this is to fund the city's obligation and noted that the city is on pace to fully fund its pension liability by 2033. When it is fully funded, this amount should go to zero and when the obligation is paid off, this amount will go towards funding other post employment benefits unfunded liabilities. The Director explained that the city works with an actuary to make sure everything is taken into account.

Referenced Documents:

- Finance 2024-06-04 Public Comment (with 24-0814)