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City of Somerville Council meetings

April 14, 2026

6 - 8:00 PM

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(Captions provided by a live Captioner.)

>> We are calling this meeting to order (inaudible) — special meeting (inaudible) — please note that video and audio of this meeting is being recorded and may be shown live on local access channels and may be used for future review. [No audio]

[Roll Call.]

>> Present.

>> Counselor Wheeler (inaudible) —.

>> With eight counselors present we have quorum. He and I chatted today and suggested he could watch this later to catch up. Counselor McLaughlin will be a little bit late. Hopefully counsel will be able to join us as well. Pursuant to Rule 32 let it be known this city Council salutes the flag of the United States (inaudible). City Councilwoman, under brief recess while the meeting is called to order.

>> Okay.

>> Pursuant to Chapter 2X of 2025 this meeting school will be conducted via remote participation. Placed audio recording (inaudible)— government channels separately we call the school committee portion of this to order at 6:05 PM. Superintendent, will you call the role?

>> (Inaudible)—.

>> Present

[Roll is called] [Captioner troubleshooting]

>> Director, are you leading us off or?

>> Testing. Can you hear me?

>> We can hear you.

>> Very good. Thank you very much.

>> If you would not mind introducing yourself (inaudible)—

>> With the slides tonight. We have about 45 slides here. We will cover a number of different topics, try just to take a look at the financial condition macroeconomic factors that will affect the fiscal 2027 budget submittal. I always want to stress at this time that these are only estimates. These estimates are going to change. There are still unresolved matters state aid unresolved health insurance costs on enrolled unresolved wearing open enrollment final service numbers we will be borrowing in May. The numbers tend to get a little bit better as we move along during the spring. These are estimates that we have at this particular point in time. We do not know the parameters of the city budget at this time. We are constantly working out to mitigate the situation and try to get to a balanced budget here in the spring.

There will be, this is a general overview individual department heads during the budget process will talk about specifics but we are covering sort of a major topic and a summary fashion. Next slide please. Counselor link has joined us formally from across the seas, thank you for joining us counselor.

>> I thought we would take a look at what is going on throughout the Commonwealth right now. This has been an extraordinary year next slide please. We are seeing the headline almost daily about the mountain mounting fiscal pressures for municipalities. Most municipalities are navigating this perfect storm of fiscal pressures. We have skyrocketing operational costs colliding with the very rigid revenue limits of proposition two and a half. Health insurance state

mandated tuition for out of district special ed places, budget drivers, pension assessments, all of these things are growing at a rate far exceeding inflation. We know that several communities are facing significant layoffs and a staff reduction due to these budget shortfalls, normally Boston eliminating 262 teacher positions. What is also sobering is some top ranked school systems like Winchester, Brookline, Lexington, they are cutting positions as well. Next slide what this has led to is an unprecedented number of proposition two and half overrides among the Commonwealth this year. In this fiscal year alone, 54 municipalities placed 74 override questions on local ballot seeking more than 158 additional task revenue. A decade ago the numbers were far smaller.

2017 (inaudible)— on the ballot statewide. Municipalities are forced to go this route given the difficulties of funding municipal government under proposition two a half. Of the override in the entirety in history 254 of 305 Massachusetts cities have passed overrides. Some have never needed an override, we will not need one this year. We are not in the same position as some of these other communities. We have had two exclusions in Somerville one past one failed the one of course to build a new high school. And the second one in the 80s was to build the vocational wing onto the high school that failed but it was later funded with state legislation coming from beacon hill. Next slide.

>> (Inaudible)— this is important.

>> That is of course the key advocacy group that presents 350 cities and towns this (inaudible)— I would like to just run by you right now because these are important lobbying points on the next slide please. The first one is that state aid in Massachusetts is less generous than the United States average. Nationwide cities and towns get about 31% of their revenue via state aid, here in Massachusetts it is 26% so we are far behind other states, not even at the average. The problem here of course in Massachusetts also is we have limited taxing ability other than municipal level. That is other states are able to infuse sales tax or commuter taxes or whatnot here in Massachusetts that is not possible. The two major vocal eight accounts restricted general government aid in Chapter 70 educational aid, next slide.

The key account is unrestricted government aid. General government a peer this has fallen dramatically over the years. It has fallen 25% overall since fiscal 2002. You note that trough there during the great recession, there were cuts in the early 2000's unrestricted general government aid has not taken place with inflation since the great recession 2009, 2010 I think the next slide will show you something this one always stuns me on the next one because I was

here when this was happening (inaudible)— Mitt Romney when he was governor when my you punished a lot of cities with reduction to state aid you can see the big drop in 2010 the city lost \$9 million in a state aid in one year and fiscal year 2010. You can see there was a further decline in 2011/2012 before it started to pick up again. We are still far below where we were many years ago. Next slide what does that mean? I like the three funding sources: taxes, state aid, and local receipts to say these three legs of a stool if one leg gets weak and the other has to pick up the pressure. You can see way back in fiscal 2022 2022 state aid constituted 38 point percent of our revenue base.

Taxes 42.68% here in 2026 that has dropped to 14.60% that means property taxes have to pick up the slack over time. We are lucky in that we have been able to do that given our tremendous economic growth over time. Next slide. The other finding of the MMA is that clearly proposition two a half does not work. Doesn't work for us. Between 2010 and 2022 real inflation-adjusted spending on current operations in Massachusetts Mississippi policies grew at just 2.6% per year that is slower than the US average for local spending growth, also slower than the growth with real spending the state budget at the pace of 2.8% per year. Bottom line: the overrides that are being started really stop gap measures, not long-term solutions. Next slide. What does MMA recommend? Number one, we need to prioritize key accounts. We need to apologize that I am missing my slide here. My apologies. Let me grab that. We need to restore adequate and reliable states that are unrestricted government funding. The MMA is lobbying legislation to provide 351 million in new and restricted government funding and increase 26.5% above fiscal year 2026 levels. Secondly we need flexibility on proposition two at half.

The MMA is not recommending elimination of two and half, they are recommending that it be kind to say I'm an economic indicator like the CPI. To permit multiyear overrides, allowing voters to authorize an override that phase is overlooked when years pass. Next slide. Prioritize key accounts, support continued investment in Chapter 70 school aid. And reforms to minimum new aid levels for districts. We are giving \$75 per student Chapter 70. As minimum aid. Fully fund the special education circuit breaker, charter mitigation funding, we have a charter school here. That draws from Chapter 70. And all school transportation accounts. The next one is something I have spoken about here the last couple of years. The municipal empowerment act which the governor is filed with legislation not seeing any action right now. I would hope there would be some action by the end of the session. That piece of legislation will allow us to raise the meals tax ceiling, currently we get three quarters of 1% of sales. The legislation pays up to 1%. Increase the hotel motel lodging tax. From six– 7% introduced local options are trounced on motor vehicle excise bills. All these three we calculated would raise as initial \$1.8 million in revenue that we would sorely need in the next fiscal year.

Finally, something we have long-sought here in Somerville is a real estate transfer fee dedicated to local affordable housing trust linking probably market activity to housing affordability investment. This is the key lobbying efforts of MMA which I think we should all be aware of. And be supporting as best we can. Next, we are not in the same dire situation as other communities right now. We are not experiencing the same level of distress, we do have a budget gap but I do believe we can contain that with limited disruption of our services as we move along. Into fiscal 2027. In Somerville despite these two and have limits residents continue to ask for more services and the city has responded in kind historically as you can see. Our budget has grown tremendously, this is really a result of the expansion of the commercial property tax base tremendous and unprecedented economic development proving management over time. The general fund budget has grown from 211,000,010 years ago fiscal year 2016 to 381.5 in 2026 and an increase of 88.1% that is actually accelerated after the pandemic. Where our budget growth was 7.78%. The school budget has increased over the last ten years by 6.2% over the last five years by 7.88% including a 10% increase in fiscal 20232 dealing with the effects of pandemic on students and education.

This year we had to tighten our belts a lot here in fiscal 2026 because we will get into that commercial property tax growth has declined. The budget increase in the general fund this year was only 5.54%. Which is a lower increase than we have seen in recent years. Next all of this activity over time is important, investments in families and youth in our schools are found throughout the budget. These programs and facilities are essential to our work and as a community and our goal of course always is to try to maintain these services as best we can. Next, Section 2, where we stand fiscal just to recap reefer Before we get into fiscal 20207X please. We put performance reviews by the way most of these deaths are on my website on the audit, financed by our website we can see where we stand in terms of appropriation throughout the fiscal year once the meeting once the months are close. Basically we are through 77% of the fiscal year. And we have expended 74.5% of general fund appropriation. We are in no danger of over-expanding the appropriation via the city or school.

It appears looking at this time both city and school are spending adding fast clip at a faster clip which means probably a lower free cash certification from the state. Next, I did not include, I will mention revenue I did not include a revenue slide. Our revenue is on target right now in your FY 2026 we will probably exceed our revenue budget but by less than 1%. The revenue items that are not coming in at budget we will get into this more to a 27 meals tax. Building permits, investment income I am not going to, they are not going to be the budget we will still probably have a revenue surplus that year. At the end of the year. Snow and ice deficit, we should be able to contain any problems in the general fund budget with transfers which will be presented to the Council before the end of the fiscal year. Of course our big issue as we all know we have had a difficult year with snow removal. Based on current projections the deficit fell \$3.5 million that might be a little bit lower when we close out requisitions and encumbrances.

Part is expenditure 5.2 million roughly appropriations 1.7. This is the only account where we can legally run a deficit in municipal government.

We really want to get that cleaned up by June 30th, otherwise it goes into next year tax we cannot have that happen. So the DPW is now looking at any lack of money in their budget plus free cash. We will appropriate free cash in the D WPD to eradicate the \$3.51 million deficit. Next one please. Unappointed compensation this is the only other catheter that may require supplementation from free cash. This is not uncommon when we change administrations, and people leave or whatnot. We expect a deficit according to the budget director of \$288,000 which we will deal with through free cash. Moving onto fiscal 27. Here are my revenue projections at this point in time. The goal is to get these numbers up. Before budget time. Property taxes, the assessor is estimating that new growth will decline from the 7.8 million this year to 5 million next year. We will get into that in a bit.

We will tax of course to the prop two and have levy limits that will bring in \$11.9 million. Overall, including the money the taxed money needed for the debt exclusion on the high school. State revenue here is the governor's proposal. I am optimistic that that will go up as the legislature to the House and Senate start to look at these revenue accounts. Fines and forfeits, they are down because parking enforcement people are obeying the law. In terms of traffic violation in the parking department. I think the installation of cameras in the bus stops is not violating the law now. That is a good thing. But parking fines are to be going down from a budget perspective of 400,000 that is to 375. We are intending to increase fees where we can. We will get into that in a bit the sanitation fees, we are upping the commercial trash fees in DPW because it is not meeting cost. That will bring in another 200,000. Electricity usage: these are the charging stations that will be expanded in fiscal 2027 that will raise us a little more revenue. Other financing sources we use parking meter receipts to net down the tax rate.

Given the installation of the park let's and some of the construction going on in streets the parking director tells me that parking meter receipts are probably going to drop by about \$200,000 per investment income because interest rates are going down. Interest rates are at sort of a mid 4% maybe four a quarter the treasurer is projecting that they will be in the high twos or low threes. This is the revenue projection right now we can raise initial \$12.7 million in fiscal year 2027 the next slide is a graphical slide basically showing the proportion of revenue as you can see property taxes is an overwhelming funding source, again it is limited by proposition two and a half. Next, I will run you through the calculations of the tax levy and how we project the property tax revenue. You start with this year's property tax levy 272660166. Others want to stress on use levy this is not by design. When we set the tax rate the assessor and I are required to use the DOR Gateway system.

I think we spent about half a morning trying to manipulate the number to get us to the levy limit that we could not. The DOR regulation there's hundred 908806 of unused levy that will equal adding those two up equals the 202 levy limit we take that fiscal 2026 levy limit multiplied by two and half percent plus the 5 million estimated new growth of the assessor's estimating will pull out 207 levy limit levy limit that which we can fund the general fund of operations with up to that amount. We add on fiscal 2027 debt exclusion 2027 projected levy is 291342. We can raise potential 11.9 million for the entire including debt exclusion in fiscal 2027 is how the calculation works. We are limited to that. Next slide please. The assessor is going to try to come in here and talk about this a little bit. Our biggest financial issue right now is the decline in commercial property tax revenue coming in. This shows the history of our peak in 2004 17.17 million in new growth.

These are big developments. That then dropped to 14.1 fiscal 2025. Then we saw a very steep decline this year, 2026 27.8. This creates a real strain on our budget going forward and the assessor is projecting \$5 million new growth in 2027. We frankly do not think that the economy is going to turn around soon, we are going to pencil in 5 million for the next three years. The \$5 million most communities would envy getting \$5 million in new growth. It is a dramatic drop for us but it is still a very very good number.

What is happening here is that development has stalled, inflation, construction costs, high interest rates, that has made financing for new development projects more expensive, causing many planned commercial projects to be delayed or canceled. The assessor and I, Mr. Callicott, and his team spent some time last week just walking through the city. On the GIS system and you know it was sobering that we are not seeing a lot of activity taking place. You probably read the situation in Boston of declining commercial property value because of the vacant office buildings. For us it is going to be the lab office buildings. Next slide I will ask the assessor to maybe comment on the new growth situation at this point.

>> President Davis three you as we know we have had ten life science buildings built in the city. Five are stabilized, we are looking at a vacancy currently of 1.9 million in square feet. I would like to point out that the 188 assembly we have secured to affect this property trans medicine is a company that in a short period of time will occupy this building into phases so you will be removing roughly 500,000 ft. <sup>2</sup> from that 1.9 vacancy which is exciting. However, that growth will be captured over a ten-year. Ten-year period starting in year three it is encouraging we will get our growth but it will be slow. The hope is that the other four buildings will follow suit

whether or not they are TIF if we could get some life science interest in the city that would be phenomenal for all of us. At the moment there is just a lot of conversation going on with the other four buildings in terms of tenants. This is what is causing a lot of the growth to decline. When you have five buildings of the size that are vacant it is the values drop because the vacancy, the Breaks the interest in the market is saturated.

There are 15,000,000 ft. <sup>2</sup> of vacant life science in the greater Boston area. The appetite at the moment is about to mean square feet. A year. We predicted it is going to depreciate again, hopefully not as much as it has in the last two years. There is very little growth to capture until 188 assembly gets going. It looks like it is going to be fiscal year 2027. Last I heard we were hoping for 26. They are trying to get organized to do this as quickly as possible. We feel it is coming very shortly that you will see some permits get pulled over there. Mr. President, that is important.

>> Speaking with Mr. Gallagher and his team today are going to attempt to meet with the company executives and trans -medics . The building permit is important to us in terms of the physical 2027 budget. We have to get a clear sense of when they are going to get pulled and what the schedule is going to be. That would be a major factor if we can get some updated information soon. We can adjust the number that are in front of you for building permits and revenue. There was an agreement to waive some of the building permit revenue I estimated even with the waiver we get 1,000,008 and building permit (inaudible)— there will be a key factor as we move forward here in the spring in terms of the budget.

Please. I just ran through the year increases for property taxes. Property tax revenue with taking out the debt exclusion here you can see the drop 2023-drop in fiscal 24 additional property tax revenue we could raise coming down to 12 on the general fund outside of that exclusion. When you factor the debt exclusion is 11 we can use 12 for general fund operations.

That is a big decline. Next please. I mentioned building permit revenue. This has been a core of our revenue source. It is an economically sensitive revenue, again the decline in development means a decline in building permit revenues. Big developments generated the bow of the money the highest amount 2022 was 25.1 million adopted 18.7. In 20231.120255.41 questions get raised occasionally. You always build a budget based on recurring revenues. Sustainable avenues. Building permit revenue is variable. We certainly would not have budgeted all of the 20225.1 brought about by our budget. If we did, we would have massive cutbacks in this succeeding fiscal year. We tried to budget building permit revenue 8.5 and drop it to 5.5. Excess revenue flows to free cash, this then we appropriate that stabilization funds for a lot of that capital projects that are coming. In terms of this fiscal year we drop the budget to

5.1. What IST is telling me is that we see a decline in the small building permits, that's development of 100 K or less. Of course we do not have big projects that are going to be about 500,000 short this year. The 2026 budget in building permit revenue. But next year it will actually be higher. We will budget 5.8 million that is roughly a \$700,000 increase because several midsize developments are expected to file building permits.

(Inaudible)— 24 Webster 37 Alan according to the ISD department we will be able to raise more building permit revenue next year than we did this year. I mentioned trans medics. The number 5.8 does not include any building permit revenue from trans medics. We get some clarity on that as long as they pull burning building permits before November of this year when we set the tax rate we can include that in our budget projection. That is very great. Next, Excise tax revenue. This has been a valuable part of our revenue base. About \$13 million here. Excise taxes, meal tax, hotel, motel retail marijuana. Just briefly the hotel motel excise continues to grow. The hotel motel charges 6% of sales from municipalities. It also includes short-term rentals, B&B situations. About 35% of the revenue base. I am expecting this source to exceed budget in this fiscal year. By about \$57,000. Looking at the economic indicators in the Boston Cambridge area Metro Boston area expecting 3.5% revenue per room increase. Factoring that in. Plus the good news is we have heard of a new hotel opening up on Beacon Street coming online as 35 key.

We will add all that in. I'm expecting to raise that excise motel by \$226,000 increase in budget 3.5 million. Retail marijuana is also growing. We do not get specifics from DOI they do not tell us exactly what entities this revenues coming from they claim it is taxpayer confidentiality. We had a projection of 440,000. My projection is 440,000 will commit this year. We budgeted 393. We will exceed the budget there. Increase that by 3% we are looking at four and 53,000 increase 752 will be the budget for retail marijuana those who are doing very well. Unfortunately the meals tax is flat. We had tremendous growth in meal tax over the year. In the last 23 years we have not seen growth. The growth from 2023 to 2024 was.73%. From 2024 to 2025.01%. I don't know perhaps with the economy maybe people are not eating out as much I don't really know. We will have to fund that when in terms of revenue projection the next fiscal year. This one is very hard to project because the motor vehicle excise commitments come out in the spring. We just sent one out in April. There will be one in May. The question is will new car sales deteriorate because of the cost of new cars and the interest rates?

That is a part of it, I'm going to raise that one by 250,000 and budget I will come up with better numbers before the budget on that. Those the excise task tax revenue next one please. Now we get to state aid which is the governor's proposal. Again we face budget time if the legislature does not work on our budget schedule. The house apparently will release their

budget later this month. The Senate in May. Generally we get better numbers. I just want to make a distinction here for new public officials. These are the cherry sheet revenues that fund our core services schools, public works, and police. There is a distinction between this many categorical grants we get from the state that do not flow to the general fund. The main Local 8 account on restricted government aid was increased by 2.5% of the fiscal year of 2026. The state revenue growth by the way is 2.9%. This is 2.9% that's an increase of 782 \$309 (inaudible)— \$75 per pupil you can see that comes up to 3081000. Remember last year that legislature intervened and it was \$150 per pupil.

I am hoping that will happen again, I think that is more probable than not I will be able to get a little bit more money in. Of course these are blunted by the Travis charters tuition reimbursement which has been reduced by 510 \$730 is a very variable number that number may change when House and Senate way in. Increased receipts of 739102. Next please. Of course we are charged for assessment . You can see the assessments here. The big assessments are going to be MBTA and charter school tuition. What you do, next slide please. You net them out receipts minus assessments that increase state aid by 2.3% or 935,743. We anxiously await what the house and the Senate will do in the hope that we can get a little bit of money from the state. Next please. Let's look ahead to 2027. Next, Needless to say public schools continue to bear the number one investment that has been the case historically in terms of budget increases in money. I know Mayor Jake Wilson considers public schools to be the number one investment we will continue to fund and replicate our successes going forward.

Please.

This just shows you the proportion of the schools 30%, public safety number two public works public works number three just gives you an idea budget composition here in terms of level funded budgets here in fiscal 2027. Into some specifics one slide that we use these presentations is to remind folks that fixed costs are an overwhelming percentage of the municipal budget. Salaries, 53% of the budget. Health insurance, 9.7%. The city funds 80% of premiums for current employees and retirees. 4.8 cents percent of the budget for pensions. Adding them all up comes to 67% of the budget; these are recurring costs they magnify year-by-year. If they get out of control that gives us very little discretionary income for any of our projects. Next one please. Key components of the base budget when we refer to base budget means fixed cost proportion of overall budget. Essential services, operational costs, maintenance to keep our city infrastructure parks and public spaces in top shape and investing in them to mitigate long-term costs. The base budget will increase, fixed costs increase we need to keep a close eye on that because we are on prop two a half levy limit.

If we do not have legislation of relief here we are going to be in a situation coming forward in terms of how we are going to fund essential services and the services we have built up over the last ten years or so. That is my point on the next slide about how higher base exposes.

>> Can we (inaudible)— work is referent recognize Pat McLaughlin has joined us.

>> Thank you. If your base exposes us to myriad pressures prop two and a half long-term costs on the base of having new positions we need to be careful at this point adding new positions onto the budget. Inflationary pressures on concrete values ensure capacity for unsuspected situations. The major cost driver I think this year is health insurance. We have spoken about this for the last couple of years. The city moved to group insurance commission back in 2012 and we saved \$7.5 million that year. By doing so. Most of those increases from the GIC have been modest, probably between three– 5% a year. But in the last few years premiums have skyrocketed. Of course one major reason which you all have seen is the increased cost resulting from the GLP-1 weight loss drugs. And increase utilization of them. Significantly (inaudible)— hi provider (inaudible)— rising utilization of medical services on market consolidation small number of (inaudible)— consolidating in the health insurance industry.

So, the legislature backstopped some of the cost and GIC. We were looking at probably a much higher budget increase earlier in the year. We projected an increase of \$2.8 million. On the budget in fiscal 2027. The average increase per plan is a percent, but we note here that the Harvard Pilgrim employer is the most common plan that is going up 14.7% on a family plan. Our caseload is (inaudible)— that in whose retirees all city and school employees. That is up 17 from the prior year. Which is actually not bad. I thought it would go up a little higher than that. If we add new positions to the fiscal 2027 budget that will increase that amount. Contribute 80% of the premium 20% to the employee we are going through the open enrollment. Now the hope is some folks move to lower-cost plans. If so that may change the number but that is what we're looking at right now.

The most important cost is labor. Cities settled a number of collective bargaining agreements in fiscal 2026. We always want to plan for money for collective bargaining and nonunion employees. We set up a stabilization fund years ago. This year we drew down 7.7 million from that stabilization fund. For police school custodians and for the teacher settlement back in July. Of course we want to use free cash to continue to believe that stabilization fund we budget on the city side. For fiscal year 2027 projected expenses salary contingency account on

general funds. We always want to be very cognizant that we fully fund these things. There are few I think maybe one more settlement that might happen this fiscal year if that is the case will have to build that into our projections for next year. Next please pension.

The pension appropriation will increase by 451,030 jobs in 2027. We did have a very good investment here last year for the pension system well over 12% investment earnings that Cape the pension appropriation down. I serve on the retirement board. I'd share that the board's long-term liability is 114,000,000.6 We will pay off that liability in fiscal year 2033. Next one is debt. Here you see that for 2027 that is what we have already borrowed for and are going to pay for going out to market in May and for our current capital projects my estimation right now is \$1.8 million increase for those projects. That is assuming a long-term bond rate of 3.8%. Last year, this time we got a rate of 3.9% AAA rated city. I am hoping we can do better than 3.8 if the number is going to go down. That we choose the appropriation. The high school debt exclusion will be a little bit less this year 6.6 million general total fund debt is 23.4. When we get to mitigation this is an area you can mitigate in terms of budget deficit we will go forward and talk about going to mitigation now next one. This is where we stand right now. We are looking at a \$4.5 million gap. Between revenue projection, and the level service projection for all the budget schools and cities at this particular point in time.

At this time this year we had a \$3 million deficit which we were able to deal with. For some better numbers that came in both on debt service and state aid as well as cuts on the city side primarily. We need to work on this between now and budget time. There are a number of tactics we can employ that we will look at before we even look at cutting budgets. Next one I look at this as a revenue problem compounded by prop two and a half. We want to initially number one strategy to enhance revenue as best we can. That means the city is now looking at evaluating all fees, finds and permits right now with all department heads through a cost recovery lens to charge appropriately. Every little bit helps. We are looking at this thing that needs revenue and should reevaluate these fees on a regular basis. It has been a while for some of them. That would be our first tactic to try to raise more revenue. We already get a few commitments in terms of increases. That is going to be important. Secondly I will be coming back to the Council, we will use reserves.

I mentioned a \$1.8 million increase in debt service looking at our reserves. We have drawn down about 17 million in reserves this year for a variety of things. We can draw down another 14.5 million between now and June 30th. What I would like to do is apply those reserves toward debt service for these projects that we are contemplating to market on. We will have a number on that but we will reduce the deficit somewhat. Reserves should only be used for one-time only expenses or capital projects. We will look at reserves for anything in the 202

budget that is a one-time purchase or whatnot that we need to do would look at this very seriously. As a budget mitigation strategy. On the city side we are looking at all vacancies right now there are a number of open positions we will make some decisions on whether we will continue to keep those positions or not that is certainly a more painless way of dealing with the budget situation then going to and fill positions office legal here we do not want layoffs and city or school I think that is quite attainable. And if we utilize all of these tactics as best we can. Audit expenditures.

We have asked all city departments to come up with focusing on non-personnel expenses a 5% reduction as a scenario planning scenario we have also asked the school department to look at a tiered reduction scenario we do not want to get to that unless we have to Henry won't know exactly if we do have to cut budgets to some extent we don't know what that is at this particular point in time. We want to get the other mitigation strategies in place especially on the rest of the new side. Next, In terms of examining and updating fees the mayor is going to be forming a working group to meet with Tufts University. To look at the pilot payments, possibly negotiate a new agreement. We have not had a pilot agreement, a formal one with Tuft since 2017.

We are currently working on these things to get that \$4.5 million budget deficit down. Next slide. As I said earlier there are several key budget events that when we go to borrow. Hopefully we will get better rates. State aid we are relying on the governor's figures right now.— Resolvable way and the most painless way for all. I think I have gone through the presentation. There's one more. Okay. Two of 27 will predominantly level service with few targets with few targeted investments. The ministry is looking at a new form of decision-making a cabinet structure. There will be some organizational reform here. You will see some departments that will be figured or renamed incorporated into existing budgets. We will make these changes very clear. We will work to mitigate the level service deficit through revenue where appropriate, long-term fiscal health major priority we focus on a sustainable base budget one time use cautiously. I believe that is the presentation. Open for questions.

>> Questions? Counsel?

>> Mr. President three I just want to ask as far as GIC goes overall is it still the best deal we can get, or how can we not even get out of it?

>> Mr. President I rose serving on the transition team and effort for the new mayor earlier this year. I was stunned to see they are self-insured with health insurance. Their health insurance is one of six many dollars in one fiscal year. We moved off of health insurance in 2012 and saved 5.7 million dollars. GIC is a huge pool in terms of purchasing. Let's also be reminded (inaudible)— the GIC this year. I think it was \$209 that they threw in there. Which were not going to get into a private situation. The private rates are higher, I have talked to a number of folks here. It is even worse in a private situation.

>> Thank you for just asking the public to watch his I know like you had said (inaudible)— mainly due to the GLP one. It has just been quite a shock coming from GIC which was supposed to stabilize rates to some degree. They are not immune to this explosion. Thank you.

>> On that point Mr. Mayor?

>> Thanks Mr. President I was talking to Amir in Western mass non-GIC community. They are seeing a 2.24% increase in their insurance premiums this year. It could be worse.

>> Counselor?

>> Thank you Mr. President through you all for reviewing. Thank you very much we are very lucky to have you all here in your teams. I think the question I'm anticipating getting the most from members of the public when you open your first slide is about really scary situations racing in other communities. Then, we are ending on what is kind of a note of relief. The worst we are looking at according to this is maybe vacant positions getting tough luck. I would ask a member of the public, what is sort of the difference between what is going on here, versus some of those worst-case scenarios that we are seeing another committee schema you do give a presentation of the details but kind of to summarize?

>> Mr. President number we have had that tax base growth over time and have built up reserves. I think we have taken a very prudent management style here as well. I think some of the other communities have not had the tax base we have, especially suburban committees.

(Inaudible)— real big city that is gone for an override they never went for an override before and they lost the override now. Even \$5 million in new growth is a far better number that we are seeing than in other places here. The tide is turning right now, we have to be thinking about the budget base here. Especially as we move forward next year we will be going for debt exclusion on new schools. We will be presenting that before the taxpayers we want to stay out of the override position if we absolutely can I think.

>> Mr. Mayor?

>> Mr. President he is too modest to admit it but a big part of the reason we were not in a worse position is because of the director being as long as just the new growth we have had that has differentiated us from other communities. Those are the tubing factors I was right there.

>> (Inaudible)—.

>> Thank you, I want to actually thank the mayor for going to points of new growth when I look at the state aid numbers you pointed out it's hard to sound disingenuous yes (inaudible)— [speaker too far from microphone] the impact of state aid which by your chart has grown faster than inflation the last 14 years you cut before that with new pressures coming that's right I can see we are [speaker too far from microphone] by your measure.

>> Mr. Presently , I think the state government should give municipalities the flexibility to raise more with new revenue sources which we do not have here in Massachusetts, where we have other committees. And other states I should say. Yes we have grown the property tax space but that has not always happened certainly in the early years year 2000 revenue growth was like 1.2 were 1.5 million. The state really was not pulling their weight in terms of municipalities. I think just in general this is a clamor throughout the state with the legislature at this particular point in time. Municipal (inaudible)— what is the problem with giving us the opportunity to raise the meals tax on the hotel motel? That is a local option, leaving it to miss the ability to make those decisions. We do not even have that type of openness right now in front of our leaders and state government. I think the limitation of properties of proposition two and a half is going to cause problems for us as well. There needs to be some plot on state government leaders to make appropriate changes to give us more power basically.

>> Others?

>> Thank you (inaudible)— one of the earlier slides (inaudible)— snow and ice talked about snow removal. I know that we had the S MEA. They changed the name recently to the new contract. Hopefully we had a lot of vacancies. In W did some of that get? Did we hire some more DPW employees? Are we still paying a lot of subcontractors for snow removal? Are we still purging all that extra money from the outside contractors instead of in-house have any of those numbers changed from last year's budget, to this year's budget?

>> I think the (inaudible)— I do not think we could remove snow without having some outside vendors. I don't think we could hire enough employees to do that. I think the costs have gone up quite a bit this year obviously because of the nature of the snowstorms this year. I think this is a question we could raise with the DPW commission during budget time as well. He can discuss that with you.

>> Mr. President through you to director being definitely want to talk to the DPW director on that want him to know what that is also a factor with you when you weigh in how this looks as well, how many employees we have versus how many please we will have that we had last year just that and you might factor in with you. For instance just like with water and sewer we had numerous vacancies yeah.

>> Mr. President I think in terms of snow removal I think I don't. I have not asked specifically how many employees were involved in the operation vis-à-vis vendors. I think the situation is given the magnitude of the storms and whatnot. I don't think it is realistic to say you can hire enough employees to handle this and do that quickly in an emergency situation. There are a number of vendors that they have on the side that they would call on that kind of thing to do that.

>> Do you want to add to that?

>> Things Mr. President yeah, Commissioner Weiss is not here I want to just clarify in case the public we do not have year-round positions of snowplow and driver in the city what we have in DPW is people who are able to have the correct licensure and interested and able to go

operate snowplows. The capacity of that in-house is dependent on who can be pulled off from doing other things, to go do that plowing. That varies from year-to-year S2 counselor! Not every vacancy increases the odds that we have those folks but that is sort of an interesting factor. Having gone and watched the operation firsthand I encourage everyone to do the same.

>> Mr. President totally we (inaudible)— and right it is variable we all know my larger point of that is how as we talk about further down in slides of how we are going to be tightening or finding which vacancies in which departments we have come out once we can hold off on a couple years and tighten our bouts our belts how does that factor in DPW? Is that a factor in the water and sewer department? Services? And the outside contractors we are going to use, how does that factor into the budget? And has its preliminary been included in that, or is that more we are going to see in a month or so? I don't really know if that needs an answer, maybe that is just oh cool there is something Mr. President.

>> Mr. President, as I understand it, an agreement with Mayor Wilson having more public works staff in positions 100% pushes us towards less contractors in terms of vacancies. We are evaluating vacancies in a number of ways. First and foremost (inaudible)— DPW is a huge part of that massive part of that. I would not expect those types of positions that we then lose out on and have to farm out additional work for plumbing or carpentry work and pay a premium on that. I would not expect at this point things can change. I would not expect significant movement in that area.

>> [Speaker too far for micro].

>> Thank you, to the chair. Given that Somerville Publix was her top party which is great, what can we expect in terms of avoiding the need to cut critical services, and what can we expect to be able to enhance the significant improvements that we have been seeing in the presentations and schools across the district. And being able to build on that success costs a lot of money. What can we expect?

>> Mr. President, we can expect to work very hard in the next six weeks to mitigate this deficit. I think in terms of school as the first priority there may be cuts on both sides. I think they will not be exorbitant cuts. We just do not know the parameters right now. I think we have to look at various scenarios and contingencies and we will continue to work on our end with the school administration. With the superintendent come owner and Mr. Beretta we will meet regularly on

this we meet every two weeks I believe. I update the mayor and I update folks with the condition of the city and any new events. That takes place. We get to a point where we understand what the deficit is. There will be a question of prioritization of services. We want to keep the essential services, we want to keep our games. We are looking very carefully at discretionary monies in the budget right now. Elyse from the city side.

Things that are not critical that could be jettisoned. I think this is a working progress basically.

>> Thank you Mr. President this has come up in the school committee. I committed publicly to the school committee. I will say it again here. We are looking to avoid that scenario trying to make this contagious get should we be in a position where the read is that revenues are lower than what we need. We have to make those cuts and the revenues come in higher, which is a thing that happens. The first thing we will put back in will be any contingencies and cuts made to the school budget. Because we want to see that at the level of service.

>> Quickly (inaudible)— [speaker too far from microphone].

>> Thank you Mr. President through you to the chairs well I do not have one looking at here to director been think you. Also just thank you to the mayor for that commitment. On the school's cuts, the school said because of how our school budget is constructed we are 85% salary. I want to be very clear with everyone it will be very difficult to avoid very painful cuts if cuts have to come from the school side budget. One piece I did not hear in the presentation and will be very interested to learn is on the city side what is the proportion of allocation that goes toward salary versus the proportion that goes toward non-salary. The seller I will also just extend insurance, sort of personnel associated costs.

>> Yes Mr. Master any thank you.

>> Mr. President, through you last time we looked at it it is getting close to 80% figure on the schools. Municipal government is about people doing work to solve problems in the community is probably consistent across the board. To health insurance that is on the city side

which covers both the school and the city. We are in the same ballpark around I think last year somewhere around the 70s it was pretty close.

>> Thank you for you Mr. President to the main your we just had our presentation about proposed cuts in which our terrible two are more terrible. Thank you for your commitment to ensuring our public schools are funded I know last year prior administration also made public education a priority by giving a larger share to the school budget, I am wondering last year and FY 2026 (inaudible)— this year 31.2% I guess I'm wondering why is that why are we getting a smaller slice?

>> American you take that one?

>> In Massachusetts in terms of percentage increase to the school budget this year.

>> On that point.

>> Thank you Mayor we want to keep that competitive because while you have made great improvements in the last several years, the percentage of our school budget goes to schools that actually trail most of our competitors. Neighboring communities (inaudible)— I am also curious to know in the spirit of competition where the city thinks we should be as far as the city budget goes to schools.

>> Mr. President, does that sound like a question to you?

>> Mr. President I don't want to say it's a rhetorical question. I'm curious to hear if people have thoughts that I am all ears. I do not have a number in my head, but I'm willing to talk to people about that. I do think it is important that we compare apples to apples always and do not prepare ourselves to say towns like Winchester that we are talking about cities with a similar profile to us.

>> What was that? All right let's see, counselor Scott Mayor Bertone goes ahead.  
[Speaker too far from microphone].

>> Thank you President Davis thank you super helpful I don't know if that's the question to this team or to the mayor I know these terms but belt-tightening, strategizing, thinking hard about plans about pausing or rescheduling investments that we are planning on doing I think we all know if we pause or reschedule investments in schools kids are hurt. If we say for example just because of the examples that the district brought up there is a program that we would like to launch our female students really challenged right now working on womanhood one of the proposals did not make that investment those kids will be delayed in the outcomes we have interest (inaudible)— for inclusion programs.

[Speaker too far from microphone] another example is coaching, coaching is an incredibly high leverage investment that the district is trying to build up just so everyone knows what coaching means that is that we hire really talented educators that help our teachers and help them get better at what they do I just really want to not to say I am not willing to be part of this process and I'm empathetic to the change in revenue if I can you to use a bad example if we slow down work on a park not great we slow down work with our kids it's really painful. I really want to make sure the headset (inaudible)— I don't mean to speak to the emotional part but schools are not delivering or making widgets they are forming our future. I want to throw that out there. I hope the city is really being thoughtful about our plan next year to do XYZ maybe minus a little bit to see if funding the schools because we don't want our kids to continue to get behind.

>> Thank you Mr. President for a couple of things before I get into some other points. I really very much appreciate these questions in the discussion. I fully align with a lot of what has been voiced already. There is a question about how much of our fixed costs were in salaries, benefits in terms etc. The slide 34 if I'm just doing the back of the envelope math. Looks like about 67 67 and have percent. It says fixed costs drive municipal budgets. That is all you are not sure about . 67 and half percent is average between city positions and the school positions being 80%. Or if that is just 67% on the (inaudible)—. Numbers on the slide I figured somebody made.

>> Through to you Mr. President this is looking at city Journal fund does not include things like general fund, other non-salary personal service items that I would consider salaries that are not part of this is more scoped down analysis. I am happy to look at what we spend on employees across the board. This is a subset of that.

>> Three was to present the scope down stuff that was scoped out per se my B uniforms budget, that is in personal services.

>> A better example of Mr. Present might be over time to paper or city services another example might be training for staff. It would not include uniforms because that is not a personal service item.

>> That's in ON lines instead okay. Over time, oh my goodness I was not planning on talking about overtime Mr. President. Mr. President, I really appreciate this. I appreciate the discussion. I really appreciate the frame. The Frank examination of what is here. In the spirit of the Frank exchange you know there has been talk about painful cuts. Slide 35 talks about operational costs; the salaries for personnel are fixed and an unalterable bearer barrier to changing base budgets. All of this talk about how we don't want to actually cut positions refers to a re-examining the ON lines, the staff and budgets of departments as a potential way to cut to the shortfall here. I just want to say that is not practically speaking true. We have added many positions over the years in the last ten years of the explosion of this budget. We have added a great many positions. It is not a deadly sentence to revisit those deceived juices worth it in the time we are all feeling the squeeze. I'm old enough to remember the target negotiations department. The city was one person, one now just the core cons department not talking about immigrant affairs. Or 311 just the core comms department is 12 people three of whom have titles that include the word director.

I am not targeting the calm department here. Being a good government means you are doing good things and telling people that you have done that is important too. As we are in lean times I think we need to have our focus squarely on doing good things. We must deliver for our neighbors our constituents less they get the correct idea that government at the local level is just as effective and broken as the federal government has been lately. We have to do better. The audience tonight here is sparse. So perhaps I will be forgiven for speaking frankly in the language of politics if our link if our neighbors thought that existing trends and level services were satisfactory our previous mayor would not have been eliminated in the primary. Things are a little bit busted. I think we need to focus on fixing this, not just holding the line on the system that we have in the government. We are happy that the government has shaped the choices of the last four years and 16 years before that. Trimming 5% out of nonpersonnel oh and stuffing things budget departments is already the smallest category of our spending.

Is not when to cut it. I think we need to not only cover this four and a half million dollar gap that needs to be mitigated but we need to do so by stepping up to provide better services to our residents. I think in order to do that some city positions will need to be eliminated. These potential rerun as Asians. I implore the mayor, and our staff to be willing to look at that. We are talking about reorganization, evaluating open positions right now providing money that is free cash that, as I said, is a short-term resource that we can use to cover some gaps. If we are reorg angry really need to reassess the dozens of positions that a been crated of last year's is like manager supervisor director we really to focus on service deliveries in our schools just kind of the attempt at pity me of as someone said paying people to fix problems and to take care of each other our school is just the epitome of that they are the definition of that.

I think we need to focus on that kind of delivery. Direct services and maintenance of our existing sidewalks, streets, neighborhoods, rather than on management capacity or consulting services or contracted services is on my colleagues called out cost us up to four times internal service delivery internal frontline services this is all part of discussion in part of some of the rooms are constituents have already told us things are hard. The other day I went to the bodega two liter Diet Coke cost me (inaudible)— I think all of our neighbors are making these hard choices I think it's time for us to make some of these hard choices along with some of that is about reevaluating how we do things as a city. And where we read, devote our resources to that direct service delivery. Thank you for your forbearance.

>> Mr. Mayor, do you want to weigh in on that?

>> Present Davis happy to report that good counsel from Ward 2 that is one of the parts of the restructure we are doing looking at those positions obviously we want to start with vacant positions because then you are not putting someone out of a job. That is what we're doing, that is what the CAO is working on with the budgeting making sure we have a leaner, meaner, set up on Cityside. For the second time around (inaudible)— counsel Wheeler before the bell first comment counselor Wheeler go ahead.

>> Thank you, both chairs. I just want to start by echoing what my colleague from Ward 2 said and appreciate it's a very difficult thing to talk about any kind of need for cuts. There is a reality that many cities, many minutes abilities, and many towns have experienced that it is easier to add a position than to remove a position. The work that people are doing in our city government is final, it is wonderful and it is crucial. And, when conditions change and three positions turn out could be being done by two people even if that would be less comfortable it is very hard for any organization. Government, or business to adjust to that. We are in a situation

where flexibly we may have another years to say those tough questions are questions for another time we may need to ask some more of those tough questions this year I want to applaud any effort to do that in a way that takes serious our most fundamental commitments to our young people and vote to the vulnerable in our community that understands that if we are able to find some small reasonable amount of cuts that is something that I think can help our sustainability in the long term as difficult as it is now. I want to make sure it is something we are not afraid to talk about as important as it is. Thank you.

>> Project?

>> Thank you to the chair along the same lines you mentioned of wanting to support our students but then also historically marginalizing communities is of wild importance when we are looking at a time when our assessments we choose to project wonder why so many of our kids are struggling. Just to bring some real data to that in the reading room about 50% of our kids are a year or more behind, some two– three. When you're looking at the method , about 15% of our students are behind. We have seen pockets of immense growth and in areas that are mentioned earlier along the lines of code teaching models, pushing those services that were all mentioned in some of the school and permit plans. I'm just saying this because I do not think this is the time to take our foot off the gas when it comes to improving outcomes for our students. The foundation of being a critical thinker is being able to read, write and do math. We cannot do that to our students. We cannot provide Torsten's. We are completely missing a mark of what the heart of Somerville really is and how important it is to make sure that our students are thriving.

Along the slides, just to re-emphasize the point some of our youngest learners are also struggling with literacy we have some really great curriculum and great things in the works but stepping away from that and not reinforcing coaching and reinforcing code teaching models and reinforcing interventionists which we are hearing widely needed. It would be a real big misstep I think really could turn this whole ship around and we could be in a more challenging spot then we currently are. As mentioned earlier, kids do not have time to make up for the fact that once the gaps grow they become so hard to decrease again. The change in outcomes really affects these children, especially historically marginalized communities. These numbers are significantly worse. Just along those lines, I wanted to emphasize.

>> Okay counselor Strauss second crack.

>> Thank you I was going to ask about exciting world of excise taxes, but I do want to use this moment to echo what school committee (inaudible)— but tone says (inaudible)— and go back to one of the dire possibility of public school system eliminating some much needed services from some of our most full herbal students including menstrual products and menstrual equity and how concerning it can be if there was that additional amount taken off of the budget as it was mentioned in schools where there is a need for washing machines because if you are young and cannot afford menstrual products, and you just do not go to school for a couple of days because you are embarrassed and young and trying to figure out how your body works that is unacceptable.

To eliminate menstrual products of course at this time would be absolutely an equity issue. While we are on the topic of equity issues, yes, we should not be in any way eliminating services that are helping girls thrive in this environment. In addition to that, I am hearing a staggering report from special education parents in the district to say costs a concerning trend of students on IEP's being tossed off IEP's are manufactured to be (inaudible)— IEP's are federally mandated and must be invested in where 50 force there is no liability for them to be for their needs clear disabilities to be addressed. Buford about that for a couple years now as we go into this deep decline I worry about that happening in special ed departments. Our kids are worth investing in in every way possible. We do not want to lose that so let's find out what it looks like in the budget this year. And where are values actually lie, thank you.

>> Mayor Bertone we will come back (inaudible)—.

>> Thank you Mr. President there you I want to commend counselor Scott for raising a frank conversation. Reinforcing the idea that we're going to need to think creatively not only creatively we will have to make this vision. We will need to commit to looking at how we are doing things in this different economic landscape. We are seeing the trends, this is not a one year life. We are now in a multi-year trend situation. I think one thing we need to evaluate is how are we delivering services in our city in light of the different economic climate? What are we seeing? I also think we need to look at how we have been growing our school budget. I think under Doctor Kaman's leadership under Doctor Beretta's leadership we are doing just that and looking in very detailed ways at how we can deliver services. And provide better outcomes using the same dollars. I am 100% in alignment there with what counselor Scott was saying. One thing that left me hungry for more information in the presentation. I will stay tuned as we get deeper into this budget season. Where in our budget I saw 30% going to schools again I am grateful to the mayor for allocating what is I think we all agree number one priority in the city.

That is our schools. Outside of that I had a very hard time seeing discrete numbers in what are we investing in in terms of delivering core services because I have to say I'm very sensitive to not wanting to demand more for something in our schools some of the needs that I see that we absolutely have when it may be balanced against him cut that may be equally impacting our residents lives. Without knowing what is on the other side of the ledger it is really hard for me to make that determination. I am always going to lean more on our school budget because I can see line by line where our money is going and I feel very confident in those investments. That is just through you Mr. President one thing I will be looking for more for the city finance team to provide us so that we can help make these decisions in concert thank you.

>> Mr. Mayor respond to that?

>> Thanks Mr. President this is one of the things that results from different timelines that schools are on versus on the city side the schools budget happens to go through a process, you all are on the school side are further along than the city is. That is why there are more fully fleshed out numbers for SPS and there are in the city said they are working on that. I think we are close to having some harder numbers on the city side but I hear you I noticed the same thing there.

>> (Inaudible)— we will come back (inaudible)—.

>> Counselor slayed is not spoken yet.

>> Three Mr. The president first thinks of you as the director for the presentation. And many of my colleagues have mentioned this already. I want to think of counselor Scott for starting this conversation again as many have said this is not easy, it is going to be painful. To me we should do everything to not everything we can so we do not make any cuts in the school budget. As a former educator, I know that if we make cuts now to two very important services it is something we will be dealing with through the next few years very very soon. Instead I am glad to hear from Mayor Wilson that we want to look at how we can consolidate departments and in the whole humming managers and directors we had think creatively again I don't want to mention any department right now but this is where my focus is going to be looking at city departments, looking at positions, working with you on administration Mayor Wilson to figure out how we can more creatively there to find this money the other one is contracting at work.

We know year after year this counsel keeps bringing this up. I think this year I want to see the numbers director being like how much is this costing the city. DTW whether other departments consultants I think this is the time to really just think about ways to avoid that and what we can do in-house and what we can just maybe stop doing. Again, it's really hard to have a conversation right now without these numbers. This is just the beginning of budget season so I'm looking forward to seeing that.

>> Okay now back to (inaudible)—.

>> Thank you through you Mr. President I just want to come back to the smaller slice of the pie. Thank you Bobby for helping me run the numbers but even that small percentage that we are talking about is more than half \$1 million it is about \$580,000. When you are asked to cut even \$250,000 from the school budget that is things like cuts from CTE, cuts from curriculum expansion and intervention, cuts from supplies and food budgets. These numbers have meaning even tiny things have impact. Again I guess my question is why? Thank you.

>> Mr. Mayor, do you want to take that one?

>> As I understand three Mr. President the question from member Lipson is why would we ask for contingency cuts?

>> Why are we from last year to this year? Why is the percentage of what we are getting less? Last year I had the number sorry.

>> Mr. The president understands the question to my earlier answer. I think the primary driver has to be health insurance premium which is felt on the city side that drives up the city side not reflected on the school side but again a reminder. Are there more employees on the SPS side than the city said? It has to be all parks closed. That is a cost the city is bearing that will drive it up that will not be reflected on the school side.

>> I appreciate that just cuts are hard. I know I feel it more in school everyday. I do know that we use a (inaudible)— we want our schools to thrive, money makes a difference.

>> Okay second crack counselor.

>> Mr. President, through you going out on a limb here a little bit because we do not have anything in front of us that we are speaking on. I am normally not going to speak specifically about the school budget if there is nothing in front of us. As I'm usually recused from that discussion. I will say I hear everyone loud and clear on the potential our decisions we have to make I just want to say that I think we should at least let the mayor here we are going to back him up if it comes to this mobility project, whatever heat he is going to take for squaring this I think we all need to be in this together. If we are going to make hard decisions and have to pass out part out and decide in terms of priorities certainly we all agree that children our our top party in school but I think it can be very difficult to be in that seat and be that decision-makers so I just want to say that I am prepared to support the mayor and whatever decisions he estimate thank you.

>> [The speaker is too far from the microphone].

>> Thank you Mr. President on a similar note I am prepared to support the mayor but that is because it is all going to fall on him to solve this budget problem. Because I do know if it gets to the city Council level and we are the ones who are expected to make the cuts to balance the budget that is not going to be fun. It is not going to get us to the money that we actually need to save. It will probably be political. And not efficient. I am just saying that now because I already feel we are heading down an interesting road where we are going to make value budget judgments based on budget when we have to make practical budgets and when it gets to the Council to get this decision is not going to be fun for anybody.

>> Okay. On that point.

>> On that point Mr. President I know it is very tempting for people to look at this as SPS versus the city. Personally I reject that framing, there's so much that the schools do from on food insecurity in so many areas. Social services, so much as coming through the schools

and on the city side, summarize things that the city is doing also directly impact SPS the kids aboard. We want to pit SPS against the city. Nothing good will come from that process.

>> Third crack. First crack counsel heart.

>> Thank you Mr. President I actually have a question on a totally different subject. If other people want to continue on the same subject that's fine.

>> On the matter before school you have the floor.

>> Just looking at the revenue side I was just wondering given the vacancy of the life sciences building is such a big part of the cause for declining growth, I would love to hear more about his possibilities for turning that around and what is just the efforts in that regard.

>> Who wants to take that one looking at you Mr. Mayor? Or?

>> That's a huge thing you heard tonight people know from previous statements that the (inaudible)— 25% of the problem for us. We get \$0.60 on a dollar for a vacant life science building (inaudible)—. I don't want to blow up anyone here . We are talking to people about doing exactly that. I have encouraged economic developers to think about the strategy of how we are going out and basically sell the city to potential companies interested in relocating here or opening up a site here. It is a big market in Europe, yup week times right now in terms of the biotech sector. That is not to say there are still growing companies that are moving. We are aggressively looking to market Somerville as the place they want to be. It's early days in terms of that strategy. But I think we are saying encouraging results. Hopefully we are back before the Council with good news here in the not so distant future.

>> I have a follow-up as a constituent. I have wondered and my understanding is that these buildings are built to scientific specifications. But are there other opportunities that are not for biotech? I could also go into these buildings? If so, is that being exported as well?

>> .

>> Mr. President three you yes it's doubly something you look at the problem is your typical life science building has a lot of they don't need to have windows on the interior so much if you're talking about residential other applications they do not make good retrofits into other use just because the design of the building there is a lot of air handling especially designed for wet chemistry in a lab. They do not make the best in terms of flip to another use. That is the sad reality. I know I have the same question as well. It's where we were really focused on trying to tenant those buildings.

>> Okay we have a quick third crack to Mayor Green (inaudible)— we do have a rule that members can only speak twice on an issue. Council members chose to waive that rule for this using I encourage folks to wrap the conversation up. We've talked a lot about this is the second crack, second crack counselor Scott then third cracks.

>> Thank you Mr. President, I may have talked a lot. Maybe that was two-for-1. I just want to thank you everyone here for engaging us tonight. I do not want to keep us here much longer. I think this has been a helpful discussion hopefully as far as the mayor goes. Supporting him in her decisions that are going to have to be made I agree. As Truman once said, the buck stops there. I do reserve the right to be salty on behalf of my constituents when the budget comes out. I also opened this conversation in the spirit of helping the mayor to understand where our priorities lay. As his colleagues in a theoretically coequal branch of municipal government. It is undeniable that there are plenty of departments in the city making differences in people's lives that are directly impacting them. I have neighbors that are out of federal custody because of the hard work of the office of immigrant affairs.

But it's hard to change a life more than that, really. I did have a quick question just to make sure I understood. I heard the whole concept of contingency cuts is that contingency cuts across all the departments, or just in the school department I just want to make sure he understood.

>> You want to field that one?

>> Mr. The president appreciates that question. Obviously we cannot order the school committee to make cuts on the city that we have asked each department to do. You will get a full briefing on this when we release the budget and show you the new organizational structure of the city is going to a cabinet level. Cabinet level architecture where you have nine departments made up of divisions we are asking the department level, we each division to do a 3% 5% ordinary maintenance we are asking across the department. All divisions are not created equally and might have a small one where a percentage cut is brutal to them. We are asking at the department level, but work on this and present these options to us. There might be things that we might not be in a position where we need because we like these ideas in every scene. The opportunity to save money will go for it. If we determined it was a more painful cut than we are going to be, that will be saved for contingency.

The school said we did our work very specifically where sort of for levels they are lipids refer to it as in my words least terrible to most terrible. If we had to cut, what would we cut? I want to thank the SPS administration for putting those together as advertised. They started at least terrible and went to the most terrible. We are really hoping to avoid that scenario but is it an important exercise to hope for the best? Plan for the worst: That is where we do right here we want to make sure no one is, by surprise of the numbers Newcomen will want them to be want to make sure we are prepared for any scenario here.

>> I appreciate that the game is resident. Three, you think you are Mr. Mayor. I really appreciate that like I said earlier I do not think three to 5% and ON budget is necessarily how we are going to both cut this gap and step up for our neighbors where we need to. I know a lot of folks don't want to talk about actual dharmas. I've never been shy about recommending cuts. I will say I do think it is a little bit bonkers to be contemplating cuts to a school dorm that does not have a whole lot of fat on it. At the same time, that we are considering a pre-negotiated contract increased three % to Police Department above and beyond (inaudible)— I think that is just bonkers to me I think we have other as I mentioned all the other middle-management positions have been created so whole departments that we spent a lot of money on again once I just keep coming back to we need to focus on what is delivering service to our neighbor thank you for that I promise my second bite at the apple is my last Mr. President.

>> Member green.

>> I apologize for not knowing the rules (inaudible)— [speaker too far from microphone] that said I'm going to ask us to back up for a second for this is my 11th budget for 11 budgets and I've heard my colleagues in government pontificate very positively about

community equity. I am going to ask equity is very easy when there is plenty of money to go around there'll edit if we need to figure out were:— I should be comes a lot harder and though it is very traditional to say we can make budgets meet by tightening our belts everywhere I am going to ask that we not take it that approach I asked that we the mindful of a few things in a city where 9% (inaudible)— are in poverty 44% public school students are low income in a city that is one third of people of color 60% of her students are of color in a city where 12% of people sorry 7% of people report having disabilities 20% of our students as well. And in a city where 12% of people report English (inaudible)— only 5% of people say anything we said about equity for the last 11 years is more than empty rhetoric. The most important thing we can invest in is our schools.

This is someone like many of us on the table of a certain degree of economic comfort. There are plenty of things you should do that are nice, pleasant to make my (inaudible)— more enjoyable. They are nice to have, they are not needed. I will ask the administration and the Council to start thinking about (inaudible)— the school budget that has very little fact in it to make do with less and hope we can budget those of us who have more to do with less.

>> Counselor?

>> Thank you round three this is why menstrual products are so important in the nurses office. It's really important on that last point, this question is to the President through you to director Beretta on half of the public schools. I had a question for you. If you recall, last month I put forward the resolution. Thank you so much. I put forward the resolution requesting because thinking about this budget that we are about to go into full disclosure with us on the Council when the school budget.

>> Any questions of the schools can go through me.

>> Mr. President that is not accurate I believe.

>> You can direct your question to the chair.

>> Okay Mr. President through to the chair as we know we are when it goes to the city Council level it is an up or down vote we have full trust in the school community to do their job and look for the budget. The past couple of years actually as far as I have been a counselor the school budget has been much like a nine page PowerPoint presentation. Does not really go into descriptions. The resolution I had back forward requested that we see this year especially with your wonderful contribution to our city, welcome. You've been in your position for a while now. The time is now to have an itemized budget presented to the school committee and the city Council. That has the salary line items of every department. Expenditures, identical to what we receive at the city. And I know there were thoughts that may be hoped this could be possible. I am asking you tonight can we anticipate this here.

>> Counselor Strauser that has been noted thank you Doctor Bond you have requested to the schools, we are hearing it thank you for your request.

>> Mr. President.

>> Counsel (inaudible)—.

>> Are we noting what the school committee member has stated? May I have that question answered.

>> This is the chair committee opposed to the question if any of the city staff are entitled to answer the question they can, they are also entitled they do not want to.

>> Thank you very much.

>> I do not want to step on anyone's toes but yes we have committed to doing that, we have not published a budget book in many years. At the start of the school year we committed to publishing a budget book with a lot more detail. We have given snippets of that, publishing sort of a retroactive book from last year. That is very much in our plans. It just takes a little bit of time given the city's timeline. We are a budget team of just me. It takes a little bit of time to put all that stuff together. Once we do the finalize version of the budget it will be presented with

various snapshots itemized by department you will be able to see the salary lines FT comparisons your over your all that stuff.

>> Mr. President through you Doctor Rutter thank you. Thank you. So we can expect this to be exciting. Thank you very much.

>> And when we have that presentation to us we invite you as well as all the city counselors to come to the presentation.

>> Counsel clear is that enough?

>> Thank you Mr. President through you I was still on that same subject when something gets framed I would certainly not be posing or pitting the city versus school department in any way. I was more speaking to all of us according to what counselor McLaughlin says as well as school committee person green really what were talking to here is the public they understand if we are true in our strive for equity truly investing in our children then when decisions have to remain we already know how this plays off his counselor he makes the cut we get inundated with emails now we are coming for him. I would like to have these people to kind of be working together on the same page going into this so we are not going down into the depths of political hell as budget season. Hopefully, we can all like it's been noted, best case scenario maybe things are not nearly as bad as they might seem at the moment and we get a fully funded school budget thank you.

>> No further questions, thank you everyone. I think every gentleman for all the information answered all the questions. We appreciate it and all the work that goes behind it and everyone else was putting in a ton of work behind it as well. Our gratitude will speak for the Council. We moved to adjourn. We placed the item on the file roll call vote for adjournment (inaudible)—.

>> For adjournment counsel Kaplan?

>> Yes.

>> Counselor Scott.

>> Yes.

>> Counselor Hosen.

>> Yes.

>> Counselor Sage?

>> Yes counselor Wheeler. We are adjourned.