



**CITY OF SOMERVILLE, MASSACHUSETTS
CLERK OF COMMITTEES**

June 4, 2020
REPORT OF THE FINANCE COMMITTEE

Attendee Name	Title	Status	Arrived
Jefferson Thomas ("J.T.") Scott	Chair	Present	
Katjana Ballantyne	Vice Chair	Present	
William A. White Jr.	City Councilor At Large	Present	
Mary Jo Rossetti	City Councilor at Large	Present	
Wilfred N. Mbah	City Councilor at Large	Present	

Others present: Annie Connor-Mayor's Office, John DeLuca-Water & Sewer, Rich Raiche-Infrastructure & Asset Management, Alex Lessin-Water & Sewer, Jill Lathan-Parks & Recreation, Kate Hartke-Grant Development, Mike Mastrobuoni- SomerStat, Brianna Noonan-SomerStat, Ed Bean-Finance and Omar Boukili-Incident Commander

The meeting was held virtually and was called to order at 6:02 p.m. by Chairperson Scott and adjourned at 8:12 p.m.

Approval of the May 18, 2020 Minutes

RESULT:	ACCEPTED
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Approval of the May 26, 2020 Minutes

RESULT:	ACCEPTED
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210216: Director of Water and Sewer submitting proposed water and sewer volumetric rates for FY21.

Mr. DeLuca, Mr. Lessin and Mr. Raiche submitted a presentation on FY21 Water & Sewer Volumetric Rate Recommendation. There were three considerations: 1. Economic impact on rate payers due to COVID-19, 2. Maintaining water & sewer services for public health and 3. Need for repairs & improvement to aging water & sewer system. There were discussions about the proposed water & sewer rates prior to COVID and now with COVID. There was a slide average annual combined bill FY20 vs. FY21 with sample sized properties. Bullet points listed how water & sewer arrived at the recommendation by MWRA assessment, current reserve balances, operation expenses and longstanding infrastructure needs. The recommended rates for

FY21 (June 2020) are combined increase of 4%. Another slide detailed what it would mean to freeze the rate increase.

Councilors expressed concerns about the proposed water and sewer rate increase. It was stated that if the increase were not passed, the city would need to use more of the Reserves. It was stated on one of the slides that a two-family home would have an annual increase of \$60.00. Councilor White requested for details of the revenues coming in, hit to retained earnings and expenditures and what will be used to provide capital improvements so the councilors can review before the presentation at public hearing on June 11. Councilor Mbah asked if the rate of increase is proportional to cost of living index. Mr. Lessin will look at what the cost of living is year-to-year. They looked at the construction cost of Boston area, which can be a driver of increased rate which is 4.1% and consistent over several years.

Councilor Ballantyne expressed concerns about residents impacted by the increase and revisited a discussion about water exception for owner occupied property. Nothing had been resolved and would like to revisit conversation with councilors. Councilor Ballantyne inquired about seniors living in Somerville and those living in Clarendon Hill Tower who do not pay water and sewer. She also stated that a good portion of seniors live in houses that are owners occupied and are on fixed income. In Massachusetts, seniors have the highest burden in the country.

Mr. Raiche referenced a memo that was sent out a couple of days ago that some of the councilors did not receive. Councilor White inquired about a study used to show the impact across different categories. There was a robust study from July to March along with property impact, showing the impact to city-wide implementation of owner occupied exception. Councilor Mbah inquired about having the bigger developers pay higher rates for water and sewer. Mr. DeLuca stated the cost is equal across commercial and residential. It was stated the city is negotiating with large developers such as Boynton Yards with infrastructure work and an estimate from each developer with their contribution.

Councilor Rossetti inquired about the announcement about the water and sewer public hearing if it had been sent out. Copies of the announcement will be sent to the councilors.

RESULT:	KEPT IN COMMITTEE
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210220: That the Director of Finance and the Budget Director provide funding equity for girls in the FY21 budget with respect to Parks and Recreation Department sports and activities as well as High School varsity sports and activities.

Councilor Ballantyne spoke to funding as noted on the city's website 65% is designated for boys and 35% for girls. She stated there should be equitable funding for both boys and girls. Councilor Ballantyne requested that both genders have 50/50 split in the FY21 budget. Ms. Lathan stated she has been working on equitable programs and opportunities for the community. Parks and Recreation is mostly co-ed based. Moving forward looking for more gender-neutral programs. Parks and Recreation will be taking over middle school sports programs in FY21 to insure more co-ed programs. Chair asked if the new initiative will bring the city closer to a 50/50 split spending for boys and girls. Ms. Lathan stated that some sports cost more than others for girls vs. boys in terms of equipment. Councilor Ballantyne stated she would like to see gender specific program added to the list. Co-ed programs do not necessarily benefit girls.

Councilor Ballantyne would like to see the salary, equipment, capital, cost and buildings for FY21 youth programs, similar to the same headings from SomerStat.

RESULT:

KEPT IN COMMITTEE

210221: That the Director of Finance discuss providing small businesses the option to pay the Licensing Commission's annual license renewal fees in installments instead of all at once.

Mr. Bean stated that the license commission may have to take a vote since they are the issuing authority and he will speak with the city clerk about this matter.

RESULT:

KEPT IN COMMITTEE

201740: Proposing an ordinance relative to a mid-fiscal year report of municipal finances, with next-fiscal year budget projections.

Items 210740 and 209789 were discussed together.

The Chair read three emails from residents regarding public services to include training to erase racism. The emails were from residents: Danielle Robertson, Andrew Friedman and Emily Vener. Other comments from the residents were regarding body cameras. Those emails are attached to the minutes.

Ms. Connor stated the Mayor is also getting emails from residents expressing similar sentiments. The communications department will prepare a written response and it will be shared with the committee once it's prepared.

Councilor Ballantyne inquired about the emails received about the police budget. The city of Somerville has a small African-American community with a 92% white community. She wants to make sure the city is listening to all voices of the community which also includes Brazilian, Haitian and Nepali.

Councilor White corrected a statement he made from a prior meeting, that general law only requires a public hearing if 10 residents sign a petition.

Chair asked when the city will have a budget for the committee to start planning the meeting and schedule a public hearing. Mr. Mastrobuoni states they are close, but waiting for the school budget. Mr. Bean has a meeting scheduled with the school superintendent, stating there have been some developments that may have slowed down the progress for the budget. The formal city budget must include the school department budget. There is a department heads meeting announcing some of the cuts. Councilor Rossetti spoke with the school committee to find out where they are with regards to the budget and was told the school superintendent has not shared the budget with the school committee yet.

Mr. Mastrobuoni stated they cannot do a finalized budget until the school committee's budget is available. He shared a link (somervillema.opengov.com/transparency) to review budget to be posted on line, using the new budget software. This data is dated and very old, just for functionality right now. The final presentation will have a series of pages. Councilor Rossetti stated that Chapter 71, Section 31 requires a public hearing from the school committee and requires the public 7 days' notice. Councilor White asked if there are any cuts or new hiring for

the budget. He asked that Mr. Mastrobuoni put information that there are no layoffs stated upfront. Councilor Ballantyne asked that when Professional and Technical budget information is given to the councilors that it's clear if departments achieved all or used all the services requested. The information should show the actual spend for Professional & Technical. Mr. Mastrobuoni will talk to the departments about this request. Councilor Ballantyne suggested a way for the departments to mark up their sheets with green for go or red that funds were not used.

Chair Scott stated that June 11 may be aggressive to receive budget presentation and may need to schedule a special meeting. Councilor Mbah suggested there be a consultant to work on issues regarding the police department, maybe a civilian person of color to provide oversight.

RESULT:	KEPT IN COMMITTEE
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209789: That this Council's Committee on Finance discuss the peoples' budget and priorities for FY21.

Items 210740 and 209789 were discussed together.

RESULT:	KEPT IN COMMITTEE
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210035: That the Director of Finance update this Council on all money received to date related to the COVID-19 situation.

Items 210035, 210036 and 210117 were discussed together.

Mr. Bean provided updates from May 22 summary. The changes were highlighted on the summary sheets included in the minutes. The long-awaited guidance on COVID-19 was released yesterday. The city needs to journalize into two special revenue funds, a CARES Act and FEMA special revenue funds. Deficits will not affect Free Cash, according to DOR. Will need to submit to councilors to accept the \$7.1M grant for approval. According to Mr. Bean, this will be the last COVID-19 update. Mr. Bean stated the city will have significant expenses and there will be a team of officials monitoring the funds. The strategy is to get the FEMA funds early on which would be \$1.2M.

RESULT:	KEPT IN COMMITTEE
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210036: That the Director of Finance update this Council on all expenditures, encumbrances and anticipated expenses to date related to the COVID-19 situation.

Items 210035, 210036 and 210117 were discussed together.

RESULT:	KEPT IN COMMITTEE
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210117: That the Director of Finance provide a written rolling cash flow analysis every 2 weeks during this COVID-19 emergency and include forecasts to ensure sufficient operating liquidity by estimating the available cash deposits, expected inflows, and required disbursements.

Items 210035, 210036 and 210117 were discussed together.

Handouts:

- Water and Sewer rate presentation - Finance _06.04.2020 (with 210216)
- Email - E Varner (with 209789)
- Email - A Friedman (with 209789)
- Email - D Robertson (with 209789)
- COVID SUMMARY 6.4.2020 (with 210036, 210036)
- COVID-19 Detail 06.03.2020 (with 210036, 210036)
- COVID19 Grant costs (Formatted)June 4 2020 (2) (with 210036, 210036)