



CITY OF SOMERVILLE, MASSACHUSETTS CLERK OF COMMITTEES

June 13, 2022
REPORT OF THE FINANCE COMMITTEE

Attendee Name	Title	Status	Arrived
Jake Wilson	Chair	Present	
Jefferson Thomas ("J.T.") Scott	Vice Chair	Present	
Beatriz GomezMouakad	Ward Five City Councilor	Present	
Judy PinedaNeufeld	Ward Seven City Councilor	Present	
Charlotte Kelly	City Councilor At Large	Present	

Others present: Jonathan Smith-Engineering, Jill Lathan-DPW, Eric Weisman-DPW, Marc Hamel-DPW, Jeff Barbieri-DPW, Ben Bloomenthal-DPW, Ben Waldrip-DPW, Megan Huckenpahler-Finance, Rich Raiche-IAM, Ralph Henry-IAM, Melissa Woods-IAM, Stephen Haynes-Water & Sewer, Jay Hayden-Water & Sewer, Hannah Carrillo-Mayor's Office, and Ed Bean-Auditing/Finance

213867: Director of Water and Sewer submitting the proposed water and sewer volumetric rates for FY23.

Director Raiche presented slides on pipes that are over 150 years old. The city's goal is to stabilize rates, make them more predictable for rate payers. There has been a lot of work in the past years to make the rates more predictable. In 2019, he gave a crash course on the needs and drivers for the funds. The key take-aways are the water system crash course commencement. The system was built strong as iron, but needs proactive repairs. The sewer system requires significant investment to achieve regulatory compliance and eliminate existing problems. Since 2019, created a comprehensive financial model, completed water system improvement plan, development several programs for sewer and created and staffed IAM department to execute the plan. Director Raiche updated the committee on the CIP 2022 for the water system. Currently funding the CIP \$7.11M for FY23. Please see slides attached to the agenda. The sewer system CIP 2022 update, listing recurring proactive repairs, escalating at 4% per year. Long term system improvements already in-flight: USQ Program, Boynton Yards Program and Marginal. CSO (Combined Sewer Overflow) mitigation with Cambridge and Somerville in discussions with EPA considering holistic needs. There is a large gap from where current water rates are now and where they need to be. He talked about moving forward with projects 1 and 2 with flood reduction benefits. The funding request for these two projects will appear soon.

Director Haynes, F&A of W&S presented slides on Somerville FY2023 Rate Study. See attached. He presented their recommendation for rate increases of Water 11.00% and Sewer

12.50%, which would lead to a sustainable cashflow. He stated the MWRA cost will escalate at an average rate of 3-4% per annum. They are proposing a level solution to avoid sticker shock. If they do not nothing for sewer, the reserves would be depleted.

Councilor Scott asked Director Raiche about project 2 and the number of residents and how were they prioritized. Director Raiche selected two projects primarily that solve flooding problems and enabling projects for CSO. Councilor Scott asked about the anticipated appropriation which is the 1st part that will fund design and then will have a better idea of construction. They are looking at design \$1.5M for project 1 and \$2.2M for project 2. The total could be upwards of \$45M. Councilor Scott asked about Ward 2 projects which could be in 2026. Councilor Scott stated that Personal Services and OM are really underspent this year. Capital outlay funds are a little better. It seems this department is struggling to spend the money. The Director of W&S stated they are working on a plan to address the staffing levels. He stated they are not getting applicants who meet the minimum job requirements. Councilor Scott asked where is the water & sewer subsidy program for seniors. He stated in the last cycle, there were a lot of promises. The Director stated this has been on the back of the water bills for a while and they are partnering with Cambridge. There are 132 members who have signed up and qualified for this program. The application window has closed and to date, no one has received assistance.

Councilor Gomez Mouakad asked if residents can assess the program and have Council on Aging share the information. She asked how is the city handling the instability of the construction market. Director Raiche stated escalation of 4% are annum recurring rates. Councilor Scott asked if there is an opportunity to still apply or not for the program. Director Haynes stated he has asked Cambridge this question and waiting for an answer. Chair Wilson stated there is a lot of money in the city now, and need to take care of the vulnerable and not overwhelm those who cannot handle the increase.

RESULT:

APPROVED

2. Review of FY 2023 Budget:

DPW Administration

Director Bloomenthal stated DPW has undergone a large structural change, prior year expenses, tighter fiscal control and strict auditing procedures.

FY23 increased by 10% over prior FY.

PS to \$740,000 for cycling of new staff

Buildings

Increased budget to \$9.6M R&M for buildings, \$35,000 in extermination services, \$15,000 for elevator repairs, and additional funds for HVAC repairs.

PS to \$2M for hiring of new staff

Superintendent Marc Hamel

Oversees general repairs, mechanicals, controls and building systems.

Hired preventative maintenance manager

Councilor Gomez Mouakad asked who takes care of the fire alarm systems. This is over seen by buildings and contracted out.

Councilor Kelly asked about custom database and will it be forward facing for residents to

use. The database will be internal in the beginning. Councilor Kelly also asked whether there will be more unpaid invoices coming forward. Director Bloomenthal stated they have done great work looking at prior year unpaid work and do not believe there will be any unpaid invoices. Councilor Kelly asked about increasing the termination budget and asked about the new contract for schools and buildings. Superintendent Hamel is taking a very aggressive approach and could see ongoing issues with rodents. They have split up the contract for schools only vs. other city buildings. The first part is out for bid and the city building will be going out soon. Councilor Kelly talked about the rodent issues in the area of schools. They are working with grounds department for a 2-prong approach. They have a list of products that are safe for children and teachers to use for rodent issues. Councilor Scott asked about the vacancies list. He also asked about alarm call boxes and who maintains the boxes, which is handled through Light & Lines. The DPW roof will be repaired this year, along with a few other buildings.

Grounds

Increase \$1.06M 12% increase over prior FY to address needs for tree needs, and Somerville's urban forest, PS increase to \$1.2M for the tree crew.

Superintendent Waldrip to insure functionality and safety of the grounds. Park clean up this spring, Lexington Park dedication, completing a full landscape at DPW. Councilor Scott asked about the split from buildings and grounds. Commissioner Lathan stated they are continuing to negotiation with the unions. The law department is handling the negotiations using outside counsel. Councilor Pineda Neufeld asked about repairs to park lighting. The repair to park lighting was a large project at Dilboy stadium. Councilor Scott asked about Lincoln Park upkeep and where does the money come from to upkeep the grounds. Chair Wilson asked about Lincoln Park soccer field issues with the irrigation system and where does the city stand with the funding. Superintendent Waldrip stated they are close to securing an irrigation contract.

School Custodians

Superintendent Hamel, 30 school, 9 buildings and contract that covers high school and Winter Hill school.

Councilor Kelly asked about the decision to contract out the cleaning service. Director Weisman stated for high school and Winter Hill predates most on the committee about 10 years ago. The city is happy with the services provided to the schools. Councilor Kelly asked if there is any costs to clean the schools prior to contracting out these services.

Solid Waste

Increase to \$6.7M to fund hazardous waste line

Superintendent Jeff Barbieri started with the city 17 years ago and understands all aspects of the highway department.

Covers the picks up waste and recycling. They are now picking up mattresses working with 311. Councilor Scott asked about lights and lines with a vacant electrician.

The call boxes are being worked on daily with list of all of the ones that are broken.

Councilor Kelly asked about professional and technical for Boston Carting and waste management which is the transfer station. She asked about trash barrels, why benches and barrels were not spent last year. Director Weisman stated the funds were shifted due to the

lateness of the barrels. Councilor Kelly asked about the composting and if the program will restart in September. The Casella contract is under the recycling line.

Highways

Lights & Lines / Electrical

\$1.8M for pothole repairs and supplies

PS decreased to \$3.05M due to departure of long-term staff

They are keeping up with the 311 requests and completed pothole requests.

Councilor Kelly asked the cost of OM around quick build projects. All work done on the bike paths were funded through IAM. Positions for fleet management sits in highways, but OM is in fleet management. Director Weisman stated there is a foreman, working foreman, and 3 laborers in fleet management. Councilor Scott asked about an asset tracking system for the fleet management. This was funded through the admin for the DPW vehicles. Councilor Scott asked why is the city recreating the fleet management position. DPW Commissioner stated this position is essential and will make the vehicles more energy efficient.

Fleet Management

Level budget

Chair Wilson asked about the goals to replace DPW vehicles with hybrid electrical vehicles. The city plans on buying hybrid and electrical vehicles. Director Bloomenthal talked about moving forward with replacement of fleet of vehicles. He has completed a condition assessment of the vehicles and put together a list to work with colleagues in the budget office. One of the first vehicles to replace is the Ford transit van. Chair Wilson also asked about city vehicles idling in the city. Director Bloomenthal stated it would go a long way to invest in electrical vehicles. The cost of fuel has shot up in the last few months and they are considering anything that can be done to save a few dollars.

Snow Removal

\$1.5M

Director Weisman worked with the parking department to standardize ticketing during the snow season. Councilor Kelly asked about the \$45,000 increase in snow removal. Director Weisman stated they are looking at increasing by 3% to look at the changing cost with contractors. Councilor Kelly also asked if there are any plans to expand the sidewalk clearing pilot program. DPW will meet with IAM to coordinate efforts for this program moving forward.

Infrastructure & Asset Management

Director Rich Raiche

Brian Postlewaite, Director Melissa Woods, Ralph Henry, Kevin Roach, Jonathan Smith, and Michael Richards

Positions were created by internal promotions. Last two vacancies in engineering will be starting in July and the other within weeks.

Budget increase for Asset Management Program

Item for \$150,000 labeled as Asset management phase 2. The Asset management program is a state of infrastructure for long term planning. This requires interdepartmental training to

help have accountability for this program. There was a DEP grant to help get this program off the ground. Councilor Scott also asked about preventative maintenance, where is the schedule and administering the program. The new building superintendent Marc Hamel is doing outstanding work and partnering very well with IAM.

Councilor Kelly had followed up questions about the intention for rental of land space.

Director Raiche stated the problem was operation challenges for both W&S. The Yard 2 is insufficient space and utilizing Poplar Street.

The councilors received written answers to their questions in advance of tonight's meeting.

Capital Projects

Director Melissa Woods who over sees the construction for the city, like the library west branch building.

Preliminary design program for public schools

School HVAC

1 Franey Road building to be accessible.

Councilor Pineda Neufeld asked about the fire station plans for the future for repairs needed.

Are there any studies of what needs to be repaired, quick fixes, long term repairs? Director Woods will be considering the building master plans.

Councilor Scott asked about general funds for street repairs. Director Postlewaite stated street funding is paid through the engineering budget. Councilor Scott asked Director Woods about a vacant position building improvement managers. Director Woods have not been seeking to fill the position just yet and they made a great hire for green buildings manager. They decided to let the dust settle a little bit and find out what skills are missing on the team. The position will be filled within the next fiscal year.

Councilor Kelly asked follow up questions about 90 Washington PM being funded.

Director Woods stated the 90 Washington Street is a bond fund. Councilor Kelly also asked about the timeline for the buildings. Director Woods stated it could be 6 months and trying to coordinate with the enrollment study. They will be able to update the committee within the next 4-8 weeks.

Councilor Gomez Mouakad asked about a Project Manager for the school buildings.

Director Woods believes in the planning phase and they have capable PM on staff who will be able to work on the school buildings.

Councilor Scott asked about the Cummings School building. He also asked about the Recreation building on Walnut Street. Director Woods offered to review the building master with Councilor Scott. The city's plan is to invest in the 1895 and City Hall buildings. He also asked about the SCAT building. Director Wood stated that Director Galligani is spearheading this project.

Engineering

Director Brian Postlewaite

Reviewing, improving and inspecting projects in the public way.

Additionally, they have a pavement and sidewalk program with a street striping program.

Increase fund to impact street signal timing and improve timing through the city.

Sewer and storm drain system to develop a plan to bring up to perfect condition.

Long term system planning to reduce flooding.

Councilor Scott asked about where the money is to pave the streets. Director Postlewaite

stated the money comes from Chapter 90 funds which comes to \$1.5 to \$2.M a year, and stabilization funds which is \$500,000. Director Bean explained “Pay as you Go,” which would be used to establish cash reserves. This is done to minimize borrowing. This will be a general fund and the capital service department will control the funds. Councilor Scott asked about the need for internal engineering for quick projects, such as using ADA experts in house. Director Postlewaite state they have a section of the annual for special repairs and there is internal capacity to review ADA and an outside consultant who works on the projects regularly. The outside consultant can do in-house design, survey and ADA redesign work.

Councilor Kelly asked about the two vacant positions. Director Postlewaite stated they have 1 utilities PM which has been interviewed and will be filled starting July 18th. The senior PM position is primarily geared toward streetscapes projects. She asked about the positions that are zero dollars which are paid through the W&S enterprises, per Director Postlewaite.

Water

Director Haynes goas is to improve the city’s potable system. Revenue \$17M+
11% W, 12.5% S Base changes no changes.

Total Revenue \$16,256,280

Increase PS by 7% for FY23

OM 24.9% for FY23

Special items in 5%

Debt service project increase 25.57%

Sewer

Director Haynes

Total Revenue \$29,030,988

PS increase 1.81% adding positions

OM decrease 11.09%

Special items & Debt services decrease 0.19%

Capital Outlay changes decrease by 7.6%

Councilor Scott asked how adding new positions nets out to a decrease in the budget. He also asked what the business analyst will do for the department. The analyst will help make the billing cycle more efficient, among other areas in the department. Councilor Scott suggested using a recruiter to fill open positions with interns.

Councilor Kelly asked about W&S PS lines and positions that struggling to fill. Director Haynes wants to modernize processes and make them soft. She asked which positions were trimmed. Director Haynes stated 6 SHMEO positions were trimmed. Councilor Kelly asked if he planned to bring back the positions in the coming years. Director Hayden stated they are working with a consultant to work into the future. They are in the middle of reimaging the positions for this year. She also asked about OM cut line between W&S \$400,000 a year. Were there any discussions to move funds to the subsidy line items.

Director Haynes stated this has been discussed and they are exercising as many options as they can for the W&S subsidy program.

Chair Wilson asked about vacancies, engineering project manager with a July 1 start date which is a new position. Mr. Mastrobuoni stated budget director will look at the positions to be make sure they align.

Reference Material:

- fy23_rate_study_results_v1
- CC Water Sewer CIP Update 2022Jun13 (002)