



CITY OF SOMERVILLE, MASSACHUSETTS

CLERK OF COMMITTEES

October 11, 2017
REPORT OF THE FINANCE COMMITTEE

Attendee Name	Title	Status	Arrived
Tony Lafuente	Chair	Present	
Maryann M. Heuston	Vice Chair	Present	
Katjana Ballantyne	Ward Seven Alderman	Present	
Matthew McLaughlin	Ward One Alderman	Present	
William A. White Jr.	Alderman At Large	Present	
Robert J. McWatters	Ward Three Alderman	Absent	
Mark Niedergang	Ward Five Alderman	Present	
Lance L. Davis	Ward Six Alderman	Present	
Mary Jo Rossetti	Alderman at Large	Present	
John M. Connolly	Alderman At Large	Present	
Dennis M. Sullivan	Alderman At Large	Present	

Others present: Mayor Curtatone, Ed Bean - Finance, Skye Stewart - Mayor's Office, Tim Snyder - Mayor's Office, Annie Connor - Legislative Liaison, Candance Cooper - Personnel, Ellen Collins - Personnel, Marc Levy - Assessing, Michael Bertino - Treasury, Michael Glavin - OSPCD, Brad Rawson - OSPCD, Tom Galligani - OSPCD, Alan Inacio - OSPCD, Rich Raiche - Engineering, Rob King - Capital Projects, Emily Monea - SomerStat, Craig Seymore - RKG Associates, Jahanoir Akbar - RKG Associates, Rositha Durham - Clerk of Committees.

The meeting took place in the Aldermen's Chamber and was called to order at 6:00 PM by Chairman Lafuente and adjourned at 8:10 PM.

Approval of the September 12, 2017 Minutes

RESULT:	ACCEPTED
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204181: Requesting the transfer of \$34,685 from the Salary Contingency Salaries Account to the Police Department -Crossing Guards Account, to fund the collective bargaining agreement with the SEIU/Local 888 Crossing Guard Unit.

Ms. Cooper spoke about the funding for the collective bargaining agreement with SEIU/Local 888.

RESULT:

APPROVED

204279: Requesting authorization to issue refunding bonds in order to reduce interest costs.

Mr. Bertino spoke about the city's financial advisor's recommendation to refund or refinance bonds in order to save the city over \$1 million in interest charges.

RESULT:

APPROVED

204328: Requesting to brief this Board on the Union Square District Improvement Financing strategy.

The Mayor spoke about an in depth financial analysis of the infrastructure work needed in Union Square and the significant investment that needs to be made to meet the challenges associated with it. A DIF would allow the city to borrow short term capital for 5 years. A presentation on the Capital Investment Plan and the DIF followed.

Mr. Raiche spoke about 5 infrastructure projects that are related to Union Square (Somerville Avenue, Nunziato Field, Poplar Street, Spring Hill and Union Square) and about the condition of the city's water/sewer pipes. A need exists for structural reinforcement to provide the city with another 100 years of service and improved safety and traffic flow for all transit modes. The next step on most of the projects will be to hire a consultant with the goal of fast tracking the projects. The bid process will occur over the winter with construction expected to commence sometime next year and continue into 2021.

Mr. Galligan spoke about US2's \$4.6 million (\$2 per s/f) of new development, grants, stabilization funds and other resources being used to pay for this project. The Committee asked that a detailed presentation, along with a breakdown showing itemized numbers, be prepared in time for the next meeting of the Finance Committee. Michael Glavin told the committee that he expects that there will be continued effort on the infrastructure improvement and that there is a very strong chance of receiving continued support from the state. He doesn't perceive any disadvantages due to receiving the \$13 million grant for this project.

Alderman Niedergang raised a concern about cost creep, saying that it appears that the price has increased since a year ago and he inquired about the city's contingency plan. Alderman Ballantyne inquired about the increased scope over the past year and asked Mr. Raiche to provide, in time for the next meeting of the Finance Committee, written details explaining why the price has increased over the last several months.

Mr. Seymour talked about his experience in economic development and using DIFs as an important financial tool. He explained that DIFs look at future revenue to support the future and that they are unique to Massachusetts. They can enhance how the city finances infrastructure improvements and allow the city to borrow short term capital at a very low interest rate for 5 years. Mr. Akbar talked about the financial return to the city and said that RKG is tasked with calculating captured increments for the DIF district parcels. Alderman White asked the City Treasurer to provide a more conservative analysis of the city's debt service payments, in time for the next meeting of the Finance Committee.

Mr. Galligani discussed the planning work and Nexus between planned USQ infrastructure projects and development and referenced the financial analysis that was done for Assembly Row that showed an assessed valuation. Alderman White asked Mr. Levy to capture incremental value for the Assembly Square project and to show projections with regard to the Assembly Square DIF back when it was voted on by the Board of Aldermen in 2011.

RESULT:

KEPT IN COMMITTEE

Handout:

- USQ DIF presentation_10.11.17 FINAL (with 204328)