



CITY OF SOMERVILLE, MASSACHUSETTS CLERK OF COMMITTEES

December 13, 2017
REPORT OF THE FINANCE COMMITTEE

Attendee Name	Title	Status	Arrived
Tony Lafuente	Chair	Absent	
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	Present	
Mark Niedergang	Ward Five Alderman	Present	
Lance L. Davis	Ward Six Alderman	Present	
John M. Connolly	Alderman At Large	Present	
Mary Jo Rossetti	Alderman at Large	Present	
Dennis M. Sullivan	Alderman At Large	Absent	

Others present: Rich Raiche - Engineering, Rob King - Capital Projects, Jess Fosbrook - Capital Projects, John DeLuca - Water/Sewer, Michael Bertino - Treasury, Frank Golden - Assessing, Ed Bean - Finance, Tom Galligani - OSPCD, Emily Monea - SomerStat, Michael Glavin - OSPCD, Tim Snyder - Mayor's Office, Annie Connor - Legislative Liaison, Rositha Durham - Clerk of Committees.

The meeting took place in the Aldermanic Chamber and was called to order at 6:00 PM by Vice Chairman Heuston and adjourned at 7:45 PM.

This meeting was recorded and is available for viewing online.

204438: Requesting an appropriation and authorization to borrow \$63,000,000 in a bond for Somerville Avenue streetscape and utility improvements.

Definitions of terms mentioned during the presentation:

- **I/I** - Infiltration/Inflow
- **CSO** - Combined Sewer Overflows
- **MLDA** - Master Land Disposition Agreement

Vice Chair Heuston started the committee meeting by stating that there are two large outstanding questions that will be address in tonight's presentation by Mr. Raiche, namely: 1) why did the cost escalate and 2) are the two projects linked together?

Mr. Raiche talked about the obstacles and challenges identified for the Somerville Avenue project, saying that the work is complex and has a number of utilities within this project. The Prospect Crossing project is extremely complicated. Mr. Raiche addressed some of the reasons why the project cost increased. One line item mentioned was the number of police details needed for these project, which was just added to the project cost. Alderman White asked for greater detail, in writing, to help explain the increase from \$44 million to \$63 million, saying the information would be of great help to the incoming new aldermen and into the future to understand the increase. Mr. Raiche said the bid now has a much tighter bid package with added improvements that were not in the package previously. He stated that most of the pipes are well beyond their life expectancy and said that the projected life expectancy for the new structure is 50 years. Alderman McWatters asked about annual spending for water main breaks and was told that the funding for these types of emergencies comes out of the general fund. The added details to the project will optimize flood reduction and improve water quality that will help with tree planting details, green infrastructure and pervious pavements.

In response to a question about the dependency of the projects, Mr. Raiche said that Somerville Avenue is independent of the other projects and the project at Nunziato is independent of Poplar Street, however, both Poplar Street and Spring Hill are dependent upon the Somerville Avenue project. Discussions were held about floods continuing to plaque the city and members were told that the Poplar Street and Spring Hill infrastructure improvements will significantly reduce the flooding. A Dependency Matrix on page 14 of the presentation shows US2 Phases 1-3, I/I and CSO. It is expected for the construction to be completed in three and a half years.

Alderman White asked Mr. Bean about the net surplus in the first four years. The plan, as stated by Mr. Bean, is to continue to appropriate the funds to the surplus. A question was asked previously about the proceeds from the sale of the D2 parcel. It was said that a portion of the sale from D2 can be used for the bond. Mr. Bean talked about netting down the \$9.3 million.

Mr. Raiche said that the City of Cambridge is a few years ahead of Somerville in terms of infrastructure planning and he discussed ground water seeping into numerous manholes that have cracks. Mr. Raiche talked about GLX and USQ zoning already approved by the BOA, and in process, with the infrastructure being the last action item. Alderman Niedergang stated he is concerned about the many moving parts and big challenges and feels that there is a likelihood of something going wrong. He asked how the city can be assured it will not see more cost increases. Mr. Raiche stated the team has looked at the plans with an experienced eye. They need to stay on top of the details and contractor to make sure not to allow the contractor to make decision without the city's input. Mr. King and Mr. Raiche share Alderman Niedergang's concerns and will be using a software tool to track all details of the project. Vice Chair Heuston talked about the construction contingencies to be built into the \$63 million and also commented on the potential cost of delay and the risk of dealing with a band aid approach. Alderman Connolly stated that the city must go forward and cannot afford to abandon this project. Alderman White inquired about additional bond requests, overruns and built in protection.

Mr. Galligani presented before the board to answer the question: "What benefits will the development provide for the City?" (See updated Estimated Developer Contributions Comparison document.) Mr. Galligani told members that the document was updated with the increased housing and job linkage that was approved last evening by the BOA. Alderman McLaughlin asked about the size of Boston Seaport Square for a \$13 million infrastructure cost vs. Somerville's infrastructure cost. Alderman Niedergang spoke about the potential

opportunity, franchise and green line that the developer will gain with this project. Alderman Davis spoke about the concerns raised last week by Alderman Ballantyne about a presentation slide trying to create an apple to apple comparison.

This item was approved on a voice vote of 7 in favor and 1 against.

RESULT:	APPROVED
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204576: Requesting an appropriation and authorization to borrow \$1,500,000 in a bond, for the Spring Hill Sewer Separation Project Design Phase.

See discussion of Item #204438

This item was approved on a voice vote of 6 in favor and 2 against.

RESULT:	APPROVED
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204575: Requesting an appropriation and authorization to borrow \$2,100,000 in a bond to design a Stormwater Pump Station and Force Main on Poplar Street.

See discussion of Item #204438.

This item was approved on a voice vote of 6 in favor and 2 against.

RESULT:	APPROVED
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204437: Requesting approval of the proposed Union Square District Improvement Financing Development District.

See discussion of Item #204438.

This item was approved on a voice vote of 7 in favor and 1 against.

RESULT:	APPROVED
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204517: Requesting approval of the proposed Union Square District Improvement Financing (DIF) Development Program.

See discussion of Item #204438.

This item was approved on a voice vote of 7 in favor and 1 against.

RESULT:	APPROVED
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Handouts:

- Est. Contribution Comparison (with 204438, 204576, 204575, 204437, 204517)
- Letter - US2 (with 204438, 204576, 204575, 204437, 204517)
- USQ Infrastructure and DIF 12-13-17 (with 204437, 204438, 204517, 204575, 204576)