



CITY OF SOMERVILLE, MASSACHUSETTS
CLERK OF COMMITTEES

July 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	

Others present: Alderman Lance Davis, Alderman Mark Niedergang, Marc Levy - Assessing, Luisa Oliveira - OSPCD, Michael Bertino - Treasury, Ed Bean - Finance, Annie Connor - Legislative Liaison, Rositha Durham - Clerk of Committees.

The meeting took place in the Committee Room and was called to order at 6:00 PM by Chairman Lafuente and adjourned at 7:00 PM.

Approval of the June 6, 2017 Minutes

RESULT: ACCEPTED

Approval of the June 12, 2017 Minutes

RESULT: ACCEPTED

Approval of the June 13, 2017 Minutes

RESULT: ACCEPTED

Approval of the June 14, 2017 Minutes

RESULT: ACCEPTED

Approval of the June 15, 2017 Minutes

RESULT: ACCEPTED

Approval of the June 19, 2017 Minutes

RESULT:	ACCEPTED
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Approval of the June 20, 2017 Minutes

RESULT:	ACCEPTED
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Approval of the June 21, 2017 Minutes

RESULT:	ACCEPTED
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Approval of the June 22, 2017 Minutes

RESULT:	ACCEPTED
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203380: That the Administration work with this Board to hire an independent financial consultant to review the actual and proposed increases in debt and prepare a risk analysis, including the amount of new growth required to support that debt, while accounting for projected spending increases in the remainder of the budget.

Mr. Bean spoke about debt services and reviewed proposed projects every six weeks. The assessor meets regularly with ISD and keeps an up to date list of projections for commercial and residential projects. There were discussions about long range plans in debt services. Mr. Bean talked about having Southwest as the city's principle financial advisor. Debt scenarios for Union Square are continuously examined and the financial advisors help the city set metrics, such as the level of reserves for the city, and review recessionary scenarios. Alderman Heuston asked if it would be possible to show potential risks in the city's budget and what the percentage would be in the budget. She spoke about not wanting the budget to be built on future scenarios. Alderman Ballantyne asked Mr. Bean for data on revenues received from building permits for the last five years. Questions were asked about the percent of commercial vs. residential in the city. Chairman Lafuente asked to see the potential growth in the budget and asked how much the pension will grow in the same year. Mr. Bean will go over all assumptions in detail and provide the information to the committee.

RESULT:	APPROVED
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203808: Requesting authorization to seek a PARC grant of \$400,000 for Prospect Hill Park renovations.

Ms. Oliveira is currently writing a grant proposal to the state and would like to put an RFP out in the next couple of weeks to renovate the park. She stated that \$85,000 was appropriated for design and the plan is to seek the remaining matching funds from the CPA account.

RESULT:	APPROVED
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203286: That the Chief Assessor provide this Board with the numbers of residential exemptions issued this year for one, two and three family homes, along with the total numbers of such homes, and compare these numbers with prior years.

See discussion of 203287

RESULT:

WORK COMPLETED

203287: That the Chief Assessor provide this Board with the numbers of sales of one, two and three family homes, with the number of residential exemptions claimed by the purchasers of those homes for the latest fiscal year.

Mr. Levy discussed residential exemptions granted by use code for FY-15 through FY-17. Alderman White asked Mr. Levy to go back to FY-2000, if possible, to show the number of units lost from homes to condos. He also asked when the city would see 2016 calendar sales and said he would like the assessor to compare condo conversions to that of Cambridge and/or Boston, if possible.

RESULT:

WORK COMPLETED

203465: Chief Assessor responding to #203286 and #203287 re: information about residential exemptions.

RESULT:

WORK COMPLETED

203513: Opposing the Keystone XL Pipeline, and restricting engagement with the financial institutions supporting the pipeline.

Aldermen Davis and Niedergang, the primary sponsors of this Resolution, along with Ms. Connor informed the committee that they are waiting for a response from the bond counsel, which they hope to have by next month. Chicago, Seattle, Providence and other communities are also looking into the same issues. Mr. Bean will have the city's financial advisor provide guidance on this matter, as well. President White asked the assessor to find out what premiums were paid to other communities.

RESULT:

KEPT IN COMMITTEE

Handouts:

- 10 Year Revenue Projection (with 203286, 203287)
- 10 Year Revenue Projection - 2 (with 203286, 203287)
- Condo Units Added (with 203286, 203287)