



City of Somerville, Massachusetts

City Council Finance Committee

Meeting Minutes

Tuesday, March 7, 2023

6:00 PM

This meeting was held via GoToWebinar and was called to order by Chair Wilson at 6:00 p.m. and adjourned at 9:09 p.m. on a Roll Call Vote: 5 in favor (Councilors Pineda Neufeld, Clingan, Kelly, Scott, Wilson), 0 opposed, 0 absent.

A recess was taken at 7:58 p.m. and reconvened at 8:03 p.m. on a Roll Call Vote: 5 in favor (Councilors Pineda Neufeld, Clingan, Kelly, Scott, Wilson), 0 opposed, 0 absent.

Others present: Michael Potere – Assistant Clerk of Committees; Edward Bean – Finance Director; Michael Mastrobuoni – Budget Director; Brian Postlewaite – Director of Engineering; Ellen Shachter – Director of the Office of Housing Stability; James M. Donovan – Police Captain; Michael Richards – IAM Director of Finance Administration; David Shapiro – Deputy City Solicitor; Patricia Contente – SPD Director of Community Outreach, Help & Recovery.

Roll Call

Present: Chairperson Jake Wilson, Vice Chair Jefferson Thomas (J.T.) Scott, Charlotte Kelly, Jesse Clingan and Judy Pineda Neufeld

- Committee Minutes (ID # [23-0265](#)) Approval of the Minutes of the Finance Committee Meeting of February 21, 2023.

RESULT: ACCEPTED

AYE: Chairperson Wilson, Vice Chair Scott, City Councilor At Large Kelly, Ward Four City Councilor Clingan and Ward Seven City Councilor Pineda Neufeld

Free Cash

- Order (ID # [22-1517](#)) By Councilor Kelly, Councilor Burnley Jr. and Councilor Wilson That the Director of Finance and the Budget Director update this Council on the progress of the free cash certification and any anticipated plans for additional free cash use.

Budget Director Michael Mastrobuoni presented a series of slides with information regarding free cash.

Chair Wilson asked if the free cash situation would be similar for Fiscal Year 2024, and Director Mastrobuoni stated that they did not know for certain, particularly with regard to building permits, which are a large aspect of free cash and can fluctuate, as well as with a difficult hiring market, which also explains a large part of the free cash and is difficult to predict.

Chair Wilson asked about the license and permit revenue and whether that could be projected, and Director Mastrobuoni responded similarly, that it was also difficult to predict but that more would be known as applications continue to come in.

Chair Wilson asked about the \$4.5 million in employee liability reserves, and Director Bean responded that is in place to be prepared for collective bargaining projections, so a Salary and Wage Stabilization Fund was created for allocations like that.

Councilor Kelly asked for clarification regarding “ordinary maintenance turn backs,” and Director Mastrobuoni explained that refers to money that was allocated for people and supplies and services but was unexpended.

Councilor Kelly asked for clarification regarding the importance of the city maintaining a reserve ratio of no less than 10% with a goal of 15%, and Director Bean explained that it is a metric bond rating agencies consider when determining the city’s rating for when it seeks to borrow money.

Councilor Scott clarified that the mayor’s office and auditing staff set the city’s financial policy, which Director Mastrobuoni confirmed, and then asked if the policy had changed between administrations, and Director Mastrobuoni indicated that they have, but that the effective outcome of those policies is similar. Councilor Scott asked if the salary classification study had been completed, and Director Mastrobuoni stated that requests for proposals for the project had been posted several times and were finally filled in January 2023.

Councilor Pineda Neufeld asked if the free cash currently available is part of a trend that has been occurring during the past few years such that free cash could be projected into the future, and Director Mastrobuoni responded that it would be difficult to do so, but that excise tax revenues are generally returning to pre-pandemic levels. Councilor Pineda Neufeld asked if part of the source of statewide free cash is associated with state and federal pandemic relief funding, and Director Bean explained that one of the main reasons that free cash has increased has been related to the difficulty in hiring, thereby leaving unexpended but allocated funds for salaries.

Councilor Scott asked why the Affordable Housing Trust Fund was not on the list of stabilization fund balances, and Director Bean explained that that Fund is a separate entity and is not controlled by the city, and therefore the funding for that comes from different sources that the mayor is currently working to develop for the short and medium term into the future.

RESULT: **RECOMMENDED TO BE MARKED WORK COMPLETED**

AYE: Chairperson Wilson, Vice Chair Scott, City Councilor At Large Kelly, Ward Four City Councilor Clingan and Ward Seven City Councilor Pineda Neufeld

- 3. Order
(ID # [23-0280](#))

By Councilor Kelly
That the Director of Finance provide a written report detailing all Stabilization Funds and the current balance in each fund.

Chair Wilson asked for clarification that the unallocated balance is funds that have not been earmarked, which Director Bean confirmed.

Councilor Kelly asked about the encumbrances in several of the funds, which Director Bean explained were typically due to various challenges in allocating the funds. Councilor Kelly asked if the \$450,000 allocated for outdoor shared toilets from the Medical Marijuana Stabilization Fund was related to the \$805,000 discussed for the same purpose in other agenda items, and Director Bean said that they are separate requests, and granting the \$805,000 requested during this meeting would free up the funds previously allocated from the Medical Marijuana Stabilization Fund.

Director Bean stated that the balances of the stabilization funds are posted on the city’s website and will be updated again on March 31, 2023.

RESULT: **RECOMMENDED TO BE MARKED WORK COMPLETED**

AYE: Chairperson Wilson, Vice Chair Scott, City Councilor At Large Kelly, Ward Four City Councilor Clingan and Ward Seven City Councilor Pineda Neufeld

- 4. Mayor's Request
(ID # [23-0258](#))

Requesting the appropriation of \$805,000 from the Unreserved Fund Balance ("Free Cash") to the Capital Projects Stabilization Fund to purchase and install prefabricated standalone public toilets.

Director Brian Postlewaite explained that they have secured a bid for three prefabricated toilets from a vendor that manufactures the Portland Loo Standalone Bathroom, and once the toilets are received, will seek bids on an installation contract. Director Postlewaite stated that the cost was a little more than originally expected due to the addition of a third toilet, as opposed to the original proposal of two, but that the cost is comparable to what other communities have spent, and that these toilets are a really important addition to the Somerville community. If the funding is approved, the installation could be completed by the end of the construction season, sometime in the Fall.

Councilor Scott asked for a breakdown of the costs, and Director Postlewaite stated that \$505,000 was for the toilets themselves, and \$300,000 was estimated for the installation, \$100,000 per toilet. Councilor Scott asked about the \$435,000 for the toilets that was allocated from the Marijuana Stabilization Fund last year, and Director Bean explained that the current proposal would replace those funds and they would be returned to the Marijuana Stabilization Fund.

Councilor Kelly asked if the supply chain issues that were present for the purchase of the toilets in 2022 were still a factor that could delay their installation in 2023, and Director Postlewaite explained that they are not, that the bid is concrete, and would be finalized once the funding is approved by the Council. Director Postlewaite stated that, with regard to the cost, location was the most important factor for the convenience and dignity of Somerville residents, and that if more funding became necessary, they would come back to the Council to request it, but that such a scenario is unlikely.

Councilor Kelly asked about the locations of the three toilets, and Director Postlewaite stated that two have been slated for Davis Square and Union Square, and the third location has not been selected yet, but that East Somerville is being considered. Councilor Clingan suggested Foss Park for the third toilet; Councilor Kelly asked that if the third is placed in East Somerville, that East Somerville does not include Union Square, and that keeping it in the Broadway area would be a good idea; Councilor Scott expressed support for a location in Union Square.

RESULT: **RECOMMENDED TO BE APPROVED**

AYE: Chairperson Wilson, Vice Chair Scott, City Councilor At Large Kelly, Ward Four City Councilor Clingan and Ward Seven City Councilor Pineda Neufeld

5. Mayor's Request
(ID # [23-0272](#))

Requesting the appropriation of \$1,847,374 from the Unreserved Fund Balance ("Free Cash") to the Affordable Housing Trust Fund Account for supplemental funding for the Municipal Voucher Program.

Director of the Office of Housing Stability Ellen Shachter explained that the purpose of the Voucher Program is to provide long-term subsidies to vulnerable Somerville residents experiencing difficulties affording their rent, with a focus on those who may not be eligible for other federal housing programs. Director Shachter continued that this is part of a larger five-year plan, the administration of which is broken up into two parts: one to administer the vouchers themselves, and the other for secondary services like house search services and stabilization services. Director Shachter stated that there are two ways a voucher can work: attached to the residence, or attached to the tenant, with a preference in the program for the latter because those vouchers are more likely to facilitate continuity of housing. Bids for the administration of these programs are due by March 20, 2023, and then it will take approximately four months to begin distributing the vouchers.

Councilor Scott asked about the sources of funding for the Voucher Program, and Director Shachter explained that the first 18 months are American Rescue Plan Act (ARPA) funded, and the rest is split between the present free cash request that will go to the Affordable Housing Trust Fund and, separately, money the Affordable Housing Trust Fund already has. Councilor Scott asked if there is a separate rental assistance program outside

of the Voucher Program, and Director Shachter stated that they do not have full information on that, but that there are other programs but that the Voucher Program is distinct from them.

Councilor Kelly asked why the present request is to fund the Voucher Program for the entirety of the next five years, and Director Shachter responded that there was a desire to have the program funding solidified to avoid unknown changes, particularly because part of the success of the program will be convincing stakeholders like landlords of its stability. Director Shachter continued that this will establish a strong base for the program such that it can continue to expand to help even more Somerville residents for the next five years and beyond, making this request a floor, rather than a ceiling.

RESULT: **RECOMMENDED TO BE APPROVED**

AYE: Chairperson Wilson, Vice Chair Scott, City Councilor At Large Kelly, Ward Four City Councilor Clingan and Ward Seven City Councilor Pineda Neufeld

6. Mayor's Request (ID # [23-0285](#))

Requesting the appropriation of \$702,500 from the Unreserved Fund Balance ("Free Cash") to the Law Department's Damages to Persons and Property Account to fund the settlement of Kathryn McDaid v. City of Somerville, et al.

Chair Wilson stated Items 6 (ID # 23-0285), 7 (ID # 23-0284), 8 (ID # 23-0270), and 9 (ID # 23-0269) would be taken together.

Attorney David Shapiro explained that the need for an Executive Session to discuss these Items was due to the fact that the litigation in both matters is pending, but that eventually the minutes of the Executive Session will become public.

Councilor Scott read the case citation for this item into the public record: Middlesex County, C.A. 1881CV02964.

Chair Wilson moved to enter executive session at 7:56 p.m. The motion was approved on a roll call vote of 5 in favor (Councilors Pineda Neufeld, Clingan, Kelly, Scott, Wilson), 0 opposed, 0 absent.

The Committee returned from Executive Session at 8:32 p.m. No votes were taken in executive session except the vote to adjourn.

RESULT: **RECOMMENDED TO BE APPROVED**

AYE: Chairperson Wilson, Vice Chair Scott, City Councilor At Large Kelly, Ward Four City Councilor Clingan and Ward Seven City Councilor Pineda Neufeld

7. Mayor's Request (ID # [23-0284](#)) Requesting the appropriation of \$137,500 from the Unreserved Fund Balance ("Free Cash") to the Law Department's Damages to Persons and Property Account to fund the settlement of Carlos Melo v. City of Somerville.

Chair Wilson stated Items 6 (ID # 23-0285), 7 (ID # 23-0284), 8 (ID # 23-0270), and 9 (ID # 23-0269) would be taken together.

Councilor Scott read the case citation into the public record: United States District Court for the District of Massachusetts, 1:18-cv-10786-RGS.

Chair Wilson moved to enter executive session at 7:56 p.m. The motion was approved on a roll call vote of 5 in favor (Councilors Pineda Neufeld, Clingan, Kelly, Scott, Wilson), 0 opposed, 0 absent.

The Committee returned from Executive Session at 8:32 p.m. No votes were taken in executive session except the vote to adjourn.

RESULT: RECOMMENDED TO BE APPROVED

AYE: Chairperson Wilson, Vice Chair Scott, City Councilor At Large Kelly, Ward Four City Councilor Clingan and Ward Seven City Councilor Pineda Neufeld

Executive Sessions

8. Officer's Communication (ID # [23-0270](#)) City Solicitor requesting to appear in Executive Session with attorneys from Brody, Hardoon, Perkins & Kesten, LLP, to discuss Kathryn McDaid v. City of Somerville, et al.

Chair Wilson stated Items 6 (ID # 23-0285), 7 (ID # 23-0284), 8 (ID # 23-0270), and 9 (ID # 23-0269) would be taken together.

Chair Wilson moved to enter executive session at 7:56 p.m. The motion was approved on a roll call vote of 5 in favor (Councilors Pineda Neufeld, Clingan, Kelly, Scott, Wilson), 0 opposed, 0 absent.

The Committee returned from Executive Session at 8:32 p.m. No votes were taken in executive session except the vote to adjourn.

RESULT: RECOMMENDED TO BE APPROVED

9. Officer's Communication (ID # [23-0269](#)) City Solicitor requesting to appear in Executive Session with attorneys from Brody, Hardoon, Perkins & Kesten, LLP, to discuss Carlos Melo v. City of Somerville.

Chair Wilson stated Items 6 (ID # 23-0285), 7 (ID # 23-0284), 8 (ID # 23-0270), and 9 (ID # 23-0269) would be taken together.

Chair Wilson moved to enter executive session at 7:56 p.m. The motion was approved on a roll call vote of 5 in favor (Councilors Pineda Neufeld, Clingan, Kelly, Scott, Wilson), 0 opposed, 0 absent.

The Committee returned from Executive Session at 8:32 p.m. No votes were taken in executive session except the vote to adjourn.

RESULT: RECOMMENDED TO BE APPROVED

Communications

- 10. Officer's Communication (ID # [23-0271](#))

Director of Infrastructure & Asset Management presenting the FY2023 Capital Investment Plan update.

Chair Wilson stated that this item would be best discussed in front of the entire City Council during its upcoming meeting on Thursday, March 9, 2023.

RESULT: RECOMMENDED TO BE DISCHARGED WITH NO RECOMMENDATION

AYE: Chairperson Wilson, Vice Chair Scott, City Councilor At Large Kelly, Ward Four City Councilor Clingan and Ward Seven City Councilor Pineda Neufeld

Appropriations

- 11. Mayor's Request (ID # [23-0282](#))

Requesting the appropriation of \$805,675 from the Capital Stabilization Fund for the purchase and installation of outdoor prefabricated toilet facilities.

This item was taken together with Item 4 (ID # 23-0258).

RESULT: RECOMMENDED TO BE APPROVED

AYE: Chairperson Wilson, Vice Chair Scott, City Councilor At Large Kelly, Ward Four City Councilor Clingan and Ward Seven City Councilor Pineda Neufeld

- 12. Mayor's Request (ID # [23-0178](#))

Requesting the appropriation of \$300,000 from the Community Preservation Act Fund to the Elizabeth Peabody House for historic building window restoration.

Chair Wilson stated that this item would be taken together with Item 13 (ID # 23-0181). Chair Wilson explained that these two items are among the most urgent in the Community Preservation Act Fund. Councilor Scott added that there was a Community Preservation Committee meeting during which these two items were recommended to be approved.

RESULT: RECOMMENDED TO BE APPROVED

AYE: Chairperson Wilson, Vice Chair Scott, City Councilor At Large Kelly, Ward Four City Councilor Clingan and Ward Seven City Councilor Pineda Neufeld

- 13. Mayor's Request (ID # [23-0181](#))

Requesting the appropriation of \$15,000 from the Community Preservation Act Fund to Mudflat Pottery School, Inc. for a Facade Restoration Study.

Chair Wilson stated that this item would be taken together with Item 12 (ID # 23-0178). Chair Wilson explained that these two items are among the most urgent in the Community Preservation Act Fund. Councilor Scott added that there was a Community Preservation Committee meeting during which these two items were recommended to be approved.

RESULT: RECOMMENDED TO BE APPROVED

AYE: Chairperson Wilson, Vice Chair Scott, City Councilor At Large Kelly, Ward Four City Councilor Clingan and Ward Seven City Councilor Pineda Neufeld

Lease Agreements

- 14. Mayor's Request (ID # [23-0165](#)) Requesting approval of a multi-year lease agreement with Hanhal Realty for a West Somerville Police Substation.

Captain Donovan explained that the request is for the approval of the lease, that the rent is increasing from \$2,200 per month to \$2,500 per month, that it will be a three-year lease with an option to extend for an additional two years at a rate of \$2,800 per month that could possibly be renegotiated. Councilor Scott asked if there was any information on the lease prior to the current one, and Captain Donovan responded that he did not know but could obtain the information if necessary.

RESULT: RECOMMENDED TO BE APPROVED

AYE: Chairperson Wilson, Vice Chair Scott, City Councilor At Large Kelly, Ward Four City Councilor Clingan and Ward Seven City Councilor Pineda Neufeld

Grant Acceptances

- 15. Mayor's Request (ID # [23-0213](#)) Requesting approval to accept and expend a \$75,000 grant with no new match required, from the MA Department of Elementary & Secondary Education to the Health and Human Services SomerPromise Division for LGBTQIA Out-of-School Time Youth Programming.

Councilor Kelly expressed strong support for this item, and asked Legislative Liaison Hannah Carrillo if the position had been filled, who confirmed that it was filled in December 2022.

RESULT: RECOMMENDED TO BE APPROVED

AYE: Chairperson Wilson, Vice Chair Scott, City Councilor At Large Kelly, Ward Four City Councilor Clingan and Ward Seven City Councilor Pineda Neufeld

- 16. Mayor's Request (ID # [23-0251](#)) Requesting approval to accept and expend a \$20,000 grant with no new match required, from the Fenway Community Health Center to the Police Department for staffing costs related to the post overdose support team program.

Councilor Kelly asked why these funds have to go through the Police Department, and Patricia Contente explained that the Department of Public

Health is the federal agency that set the requirements for this funding, and the requirement is that it goes to a public safety entity.

RESULT: **RECOMMENDED TO BE APPROVED**

AYE: Chairperson Wilson, Vice Chair Scott, City Councilor At Large Kelly, Ward Four City Councilor Clingan and Ward Seven City Councilor Pineda Neufeld

Requisitions

- 17. Mayor's Request (ID # [23-0162](#))

Requesting approval to use available funds in the Health and Human Services Salaries Account in the amount of \$21,982 to fund an additional Case Manager position.

Councilor Pineda Neufeld asked about the specifics of the position, and Liaison Carrillo responded that the person would be hired as soon as possible. Councilor Pineda Neufeld asked for confirmation that the person hired would be paid a living wage, and Councilor Scott stated that he located the salary for the position and it is \$65,000 per year, and clarified that the amount in this item reflects one-third of the year.

RESULT: **RECOMMENDED TO BE APPROVED**

AYE: Chairperson Wilson, Vice Chair Scott, City Councilor At Large Kelly, Ward Four City Councilor Clingan and Ward Seven City Councilor Pineda Neufeld

Contracts and Easements

- 18. Mayor's Request (ID # [23-0233](#))

Requesting approval of a time-only extension to the contract with Context Architecture Incorporated for Architectural & Engineering Services on the Public Safety Facility project.

Chair Wilson stated that items 18 (ID # 23-0233), 19 (ID # 23-0232), and 20 (ID # 23-0231) were taken together.

Infrastructure and Asset Management Finance Administration Director Michael Richards explained that these three items are procedural contract extensions that do not request any additional funding.

RESULT: **RECOMMENDED TO BE APPROVED**

AYE: Chairperson Wilson, Vice Chair Scott, City Councilor At Large Kelly, Ward Four City Councilor Clingan and Ward Seven City Councilor Pineda Neufeld

- 19. Mayor's Request (ID # [23-0232](#))

Requesting approval of a time-only extension to the contract with Consigli Construction Co. Incorporated for Construction Manager At-Risk Services on the Public Safety Facility project.

Chair Wilson stated that items 18 (ID # 23-0233), 19 (ID # 23-0232), and 20 (ID # 23-0231) were taken together.

Infrastructure and Asset Management Finance Administration Director

Michael Richards explained that these three items are procedural contract extensions that do not request any additional funding.

RESULT: **RECOMMENDED TO BE APPROVED**

AYE: Chairperson Wilson, Vice Chair Scott, City Councilor At Large Kelly, Ward Four City Councilor Clingan and Ward Seven City Councilor Pineda Neufeld

20. Mayor's Request
(ID # [23-0231](#))

Requesting approval of a time-only extension to the contract with Colliers Project Leaders USA NE LLC for Owner's Project Manager Services on the Public Safety Facility project.

Chair Wilson stated that items 18 (ID # 23-0233), 19 (ID # 23-0232), and 20 (ID # 23-0231) were taken together.

Infrastructure and Asset Management Finance Administration Director Michael Richards explained that these three items are procedural contract extensions that do not request any additional funding.

RESULT: **RECOMMENDED TO BE APPROVED**

AYE: Chairperson Wilson, Vice Chair Scott, City Councilor At Large Kelly, Ward Four City Councilor Clingan and Ward Seven City Councilor Pineda Neufeld

Referenced Documents:

- Finance - 2023-03-07 2023_03 Free Cash Policy (with 22-1517)
- Finance - 2023-03-07 Stabilization Fund Balances (with 23-0280)
- Finance - 2023-03-07 CPA Recommendation Memorandum (with 23-0178, 23-0181)
- Finance - 2023-03-07 LGBTQIA Grant Memo (with 23-0213)
- Finance - 2023-03-07 DESE 75000.00 Earmark Funding HHS - Somerpromise (with 23-0213)
- Finance - 2023-03-07 RequestCaseManager (with 23-0162)
- Finance - 2023-03-07 PSB Contract Extensions (with 23-0231, 23-0232, 23-0233)