



CITY OF SOMERVILLE, MASSACHUSETTS CLERK OF COMMITTEES

November 23, 2020
REPORT OF THE FINANCE COMMITTEE

Attendee Name	Title	Status	Arrived
Jefferson Thomas ("J.T.") Scott	Chair	Present	
Katjana Ballantyne	Vice Chair	Present	
William A. White Jr.	City Councilor At Large	Present	
Mary Jo Rossetti	City Councilor at Large	Present	
Wilfred N. Mbah	City Councilor at Large	Present	

Others present: Khushbu Webber-Mayor's Office, Alan Inacio-OSPCD, Doug Kress-Human Health Services, Edward Bean-Finance/Auditing, Charles Breen-Fire Department, Christopher Major-Fire Department, Frank Golden-Assessor, John Long-City Clerk, Kate Hartke-Grants Administration, Brad Rawson-OSPCD, Cathy Pantiagini-Library, Lauren Racaniello-Mayor's Office, and Denise Taylor-Communications.

The meeting was held virtually and was called to order at 6:03 p.m. by Chairperson Scott and adjourned at 7:39 p.m.

Approval of the November 10, 2020 Minutes

RESULT:	ACCEPTED
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210842: Requesting the appropriation of \$7,129,550 from Unreserved Fund Balance ("Free Cash") to the COVID-19 Stabilization Fund to provide resources to fight the pandemic.

Mr. Bean stated that FY2021 tax recap summary is final budget plan for the city for the year. He also stated that at tomorrow night's meeting, the chief assessor will provide the value for the city. There will be supplemental appropriations combined in the tax recap which will be submitted to DOR and tax bills will go out by 12/31. The appropriate general fund is the budget approved for the city in July. There are supplemental requests for library, school for hot lunch revolving, veterans ice rink, and city clerk Minutetrak. See attached document for specifics. Mr. Bean stated the state assessment has not been finalized. He also stated that excise taxes, hotel/motel taxes estimates were based on June/July. With slow reopening, the city had to reduce revenue estimates. The Row Hotel reached 20-25% capacity. LaQuenta revenue is \$500,000 below last holiday. Meal taxes are reduced \$227,000. The state is holding back on collections. The city

also waived a total \$627,000 for license and permits. Traffic and Parking has been able to up their estimates and added another \$2M for parking fines, parking meter receipts.

Mr. Bean provided a detailed line estimate and started with the appropriations for tonight's meeting. Councilor Rossetti asked about the property taxes, if they are showing signs of going down. Mr. Bean stated the new growth exceeded projections. He stated it was estimated at \$10M and is now more than \$670,000 more than expected. Additionally, there were other financial sources like the insurance settlement and T&P.

Mr. Bean stated the city has 4 and ½ months of revenue and want to change what's been received vs. projection. If all these orders pass, the city will no longer be in a deficit.

RESULT:

APPROVED

210845: Requesting the appropriation of \$1,672,769 from the Receipts Reserved for Appropriation Parking Meter Receipts Account in order to reduce the FY21 Tax Rate.

Mr. Bean stated that Traffic and Parking increased their estimates with \$230,000 more parking receipts to the appropriation which directly goes against the tax rate. This is done every year.

RESULT:

APPROVED

210846: Requesting a supplemental appropriation of \$600,000 to the School Lunch Revolving Fund to fund a projected budget deficit in FY21.

Councilor White asked why there is a deficit and what they project for the revolving fund. Mr. Gorsky from the School Finance department stated that the school depends upon point of sale revenue which is some catering and school lunch. He stated that the revenue from the national school lunch is projecting a total of \$1M in FY21. The workers have served approximately 120 meals to families in the community. If they do not receive funding, they may need to furlough 45 cafeteria workers.

Councilor White asked about national school which is for low income families and if they will be providing any funds. Mr. Gorsky stated the federal government is providing funding but less than usual. Councilor Rossetti asked Mr. Gorsky if the money will be used to supplement salary for kitchen staff as they prepare for families. Mr. Gorsky stated this appropriation would help fund salaries for food services for cafeteria workers. The school is not using all the staff and there is a rotation of workers.

Councilor Mbah asked Mr. Gorsky about furloughing staff members and when this happened. Mr. Gorsky stated the revenue coming in has been severely cut. The school lunches would normally be around \$700,000 but is now decreased to zero.

Ms. Webber from the Mayor's office clarified that no one from the school have been furloughed thus far. What Mr. Gorsky indicated that if this request is not approved, they would have to furlough cafeteria workers.

RESULT:

APPROVED

210847: Requesting a supplemental appropriation of \$259,492 to the Veterans Ice Rink

Enterprise Fund.

Ms. Lathan stated this is due to decreased rentals. The facility is back in use and there is no adult use, just youth renting the facility. The facility also has to be closed by a certain at night.

Councilor White stated the facility seems to be in use. Ms. Lathan stated the youth rate is \$170 which is not as much as adults' rate of \$225. Additionally, the facility was closed for 2 weeks and there are youth hockey and private lessons which are less than usual.

Councilor Ballantyne asked Ms. Lathan if it's only organized youth programs and vendors who are using the rink. Ms. Lathan stated these are not all Somerville programs and have some outside vendors who pay to use the ice time for private lessons. Councilor Ballantyne asked how many youths are being served. Ms. Lathan stated that no more 25 people at one time and she will provide Councilor Ballantyne with the number of Somerville youth vs. other youth's organizations.

RESULT:	APPROVED
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210848: Requesting a supplemental appropriation of \$209,280 to the Fire Department Repair & Maintenance Vehicles Account to repair Ladder Two's aerial ladder.

Mr. Bean asked to withdraw item to resubmit for tomorrow night's meeting. Chief Breen stated that Ladder Two aerial ladder was sent out for repair and they are using a 1995 spare ladder in its place. Chief Breen stated they were hoping to fix the ladder in house but it was sent back to the manufacturer in Wisconsin. The turnaround time from Wisconsin is at least 3 months.

RESULT:	WITHDRAWN
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210849: Requesting the appropriation of \$51,712 from the Dilboy Enterprise Fund Retained Earnings to balance the FY21 Dilboy Enterprise Fund Budget.

Mr. Bean stated items 7 and 12 are related and were discussed together.

Ms. Lathan stated their ability has been impacted to bring in revenue and cannot reach projections. Use of the facility has been down with some use from Somerville youth groups.

RESULT:	APPROVED
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210850: Requesting the supplemental appropriation of \$11,907 to the Public Library's Digital Subscription Account to meet the FY21 appropriation requirement outlined by the MA Board of Library Commissioners.

Ms. Pantiagini from Libraries stated they apply for state aid and need to meet a minimum state aid every year. After 9 years of applying for a waiver and due to the cuts this year, the state reached out to the libraries since they now met the necessary requirements. Councilor Rossetti asked how much funding received through this aid which is usually \$40,000 distributed twice a year for a total of \$80,000.

RESULT:	APPROVED
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210851: Requesting a supplemental appropriation of \$10,704 to the City Clerk Software Repair and Maintenance Account to develop new domestic partnership software and extend the city's MinuteTraq contract.

Mr. Long stated that contract will be running July 1 to July 31, 2022 which requires an additional appropriation. The requested funds are for \$4,000 to modify change in contract and \$6,704 for the domestic partner database.

RESULT:

APPROVED

210852: Requesting the rescission of the prior appropriation of \$5,253,206 from Unreserved Fund Balance ("Free Cash") to reduce the FY21 Tax Levy, as approved on July 14 in #210317.

Mr. Bean stated the CARES money goes away on December 30th. The fear is that the city will not have the resources available to meet the needs coming down the pike. The city has not received any reimbursement yet from the CARES fund. The artist community is suffering. The city will need funds to get HVAC for the schools. Mr. Bean stated the city will still have \$3M in free cash as asked by Chair Scott. Mr. Bean believes there will be difficulty with State aid in the future. He stated that DOR will validate the balance sheet in January.

Councilor Ballantyne asked about free cash being back to \$10M. Mr. Bean was asked what he feels is a healthy free cash balance. Mr. Bean stated that 5% operating revenue and the city is lucky to have record free cash in a time when it's really needed.

Mr. Bean stated that the property tax collection has been good and they are sending out tax bills at the end of December. Additionally, the borrowing for the high school has come in and put the city in a good position.

Councilor Rossetti asked Mr. Bean about the \$600,000 that seems to be growing everyone for the high school project. Mr. Bean stated the city is receiving \$250,000 from the state which will be coming from the \$7.1M. Mr. Bean spoke about the frustrations with state, having to reorient costs for the high school and look at the stabilization funds to supplement funding.

RESULT:

APPROVED

210853: Requesting the reduction of the FY21 Kennedy School Pool Enterprise Budget by \$65,000 to balance the budget.

Ms. Lathan stated due to COVID revenues have been less. The revenues are less since family swim and swim teams are not using the facility. She also stated they are making some reduction in supplies and school rentals to try to be more aware concerning COVID-19. The pool is in service, but no swim lessons nor swim team usage. Ms. Lathan stated there are no cuts in service, she is just trying to be more fiscally responsible. They were also able to shave off \$40,000 in electricity.

RESULT:

APPROVED

210854: Requesting the reduction of \$8,848 from the appropriated FY21 Dilboy Enterprise

Fund Budget to balance the budget.

See item 210849

RESULT:	APPROVED
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210855: Requesting approval to pay prior year invoices totaling \$2,872.50 using available funds in the Communications Professional and Technical Services Account.

Ms. Taylor stated the invoices are for captioning services in June, a website maintenance firm, and a youth vendor hired for social media messaging.

RESULT:	APPROVED
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210856: Requesting approval to pay a prior year invoice totaling \$200 using available funds in the Fire Department Dues and Memberships Account for CHAMP membership.

Deputy Major stated normally this is paid in May, but due to COVID they were asked to hold onto spending. They submitted the invoice once the new budget was approved. The Chair asked about CHAMP which is the Commonwealth of Massachusetts Harbormasters and Maritime Professionals. This organization helps with training and there are 4 members from the fire department who are members of the association.

RESULT:	APPROVED
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210857: Requesting acceptance of a \$1,400,000 payment from the MBTA/MA DoT to the SPCD Mobility Division for required GLX traffic and pedestrian environmental commitments.

Chair Scott suggested everyone review MOA on file. Mr. Rawson appeared to answer questions. The funding is to support engineering.

RESULT:	APPROVED
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210858: Requesting acceptance of \$878,051 in CDBG CARES Act funds and \$632,359 in ESG CARES grant funds with no new match required, from the Department of Housing and Urban Development to prepare for, prevent, and respond to the impacts of Covid-19.

Mr. Inacio stated this is supplemental allocation after HUD did their calculations in the spring time. Councilor Rossetti asked about the total in CDBG funding which will be \$2.1M. Mr. Inacio also stated that \$1.4M used through RFP process and funding to rental assistance partners.

RESULT:	APPROVED
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210860: Requesting acceptance of a \$100,000 grant with no new match required, from the MA Department of Health to the Health and Human Services Department for its Covid-19 response.

Mr. Kress stated this funding is passed through DPH for contact tracing.

RESULT:

APPROVED

210862: Requesting acceptance of a gift of \$88,140 with no new match required, from Ginkgo Bioworks to supply and process COVID 19 PCR tests for schools and other essential city personnel.

Mr. Kress stated this is for a baseline testing for staff in public school and/or city staff.

RESULT:

APPROVED

210863: Requesting acceptance of a \$25,600 grant with no new match required, from the MA Emergency Management Agency to the Fire Department for the purchase of safety equipment.

Chief Breen stated this grant will be to purchase equipment to test wires between the poles if the power is on or off, testing 3rd rail with emergencies and gas meters.

RESULT:

APPROVED

210864: Requesting acceptance of a \$13,305 grant with no new match required, from the MA Board of Library Commissioners to the Public Library to create a 2-year program to train immigrants via an ESOL civics awareness class, provide USCIS citizenship workshops, create a Citizenship Corner at each branch, and create a mechanism to sustain the program past the 2-year award. .

Ms. Webber stated Ms. Pantiagini had already signed off.

RESULT:

APPROVED

210903: Requesting a transfer of \$15,000 from the Executive Administration Personal Services Account to the Grants Development Personal Services Account to cover an increase in hours for the part-time grant writer.

Ms. Hartke to expand the part-time grant writer's hours which is normally 25 hours a week.

RESULT:

APPROVED

Handouts:

- TAX RECAP FY2021 SUMMARY
- REVENUE TAX RECAP FY2021 FINAL SUBMISSION
- School Lunch Account - City Council Finance Meeting (with 210846)