



City of Somerville, Massachusetts

City Council Finance Committee

Meeting Minutes

Tuesday, June 18, 2024

6:00 PM

Committee of the Whole

The meeting took place in person and remotely via Zoom and was called to order at 6:00 PM by Chair Wilson and adjourned at 9:06 PM.

Others present:

Michael Mastrobuoni – Budget Director, Ed Bean – Director of Finance, Demetrios Vidalis - Director of Water and Sewer, Rich Raiche – Director of Infrastructure and Asset Management, Kate Hartke – Director of Grants Development, Nikki Spencer – Chief of Staff, Madalyn Letellier - Legislative Services Manager, Peter Forcellese – Legislative Clerk.

The Committee meeting was recessed at 7:43 PM and reconvened 8:04 PM.

Roll Call

Present: City Councilor At Large Jake Wilson, Ward Two City Councilor Jefferson Thomas (J.T.) Scott, Ward Two City Councilor Naima Sait, City Councilor At Large Willie Burnley Jr., Ward Four City Councilor Jesse Clingan, Lance L. Davis, Ben Ewen-Campen, Wilfred N. Mbah, Matthew McLaughlin, Judy Pineda Neufeld and Kristen Strezo

1. Review of the FY 2025 Budget
 - Cut night
 - Miscellaneous Budgetary Items

Director Mastrobuoni informed the committee about an error in the FY25 budget document with respect to the Fire Department. On the Personal Services section, (511000), the holiday pay and hazardous duty stipend was double budgeted to the tune of \$1 million. The plan now is to reallocate the funds to: 1) the Salary Contingency line for collective bargaining; 2) building improvements; and 3) Infrastructure and Asset Management for increased architectural services. An amended budget will be presented at the Special City Council meeting on Thursday, June 20th. Safeguards have been implemented to prevent this error from happening again.

2. Mayor's Request (ID # [24-0851](#)) Requesting approval to appropriate \$725,000 from the Capital Projects Stabilization Fund to fund the Fire Alarm Alerting System.

RESULT: **RECOMMENDED TO BE DISCHARGED WITH NO RECOMMENDATION**

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3. Mayor's Request (ID # [24-0849](#)) Requesting the appropriation of \$850,000 from the Unreserved Fund Balance ("Free Cash") to the Open Space Acquisition Stabilization Fund to acquire new publicly accessible open space.
RESULT: RECOMMENDED TO BE DISCHARGED WITH NO RECOMMENDATION
4. Mayor's Request (ID # [24-0848](#)) Requesting approval to appropriate \$270,000 from the Immigrant Legal Services Stabilization Fund for legal services to immigrants.
RESULT: RECOMMENDED TO BE DISCHARGED WITH NO RECOMMENDATION
5. Mayor's Request (ID # [24-0847](#)) Requesting the appropriation of \$266,000 from the Unreserved Fund Balance ("Free Cash") to the Emergency Stabilization Fund to provide funding for the Warming Center.
RESULT: RECOMMENDED TO BE DISCHARGED WITH NO RECOMMENDATION
6. Mayor's Request (ID # [24-0846](#)) Requesting the appropriation of \$350,000 from the Unreserved Fund Balance ("Free Cash") to the Community Composting Stabilization Fund for a pilot community composting program.
RESULT: RECOMMENDED TO BE DISCHARGED WITH NO RECOMMENDATION
7. Mayor's Request (ID # [24-0845](#)) Requesting the appropriation of \$1,000,000 from the Unreserved Fund Balance ("Free Cash") to the Participatory Budgeting Stabilization Fund for the Participatory Budgeting Program.
RESULT: RECOMMENDED TO BE DISCHARGED WITH NO RECOMMENDATION
8. Mayor's Request (ID # [24-0843](#)) Requesting the appropriation of \$700,000 from the Unreserved Fund Balance ("Free Cash") to the Capital Projects Stabilization Fund for a Fire Alarm Alerting System.
RESULT: RECOMMENDED TO BE DISCHARGED WITH NO RECOMMENDATION
9. Mayor's Request (ID # [24-0842](#)) Requesting approval to appropriate \$149,051 from the Racial & Social Justice Fund to hire a Project Manager for the development of an Alternative Emergency Response Program.
RESULT: RECOMMENDED TO BE DISCHARGED WITH NO RECOMMENDATION
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10. Mayor's Request (ID # [24-0841](#)) Requesting the appropriation of \$500,000 from the Unreserved Fund Balance ("Free Cash") to the Capital Projects Stabilization Fund to supplement a prior appropriation to purchase and install prefabricated standalone public toilets.
- RESULT: RECOMMENDED TO BE DISCHARGED WITH NO RECOMMENDATION**
11. Mayor's Request (ID # [24-0840](#)) Requesting the appropriation of \$1,432,778 from the Water Enterprise Fund Retained Earnings Account to the FY 2025 Water Enterprise Fund budget.
- RESULT: RECOMMENDED TO BE DISCHARGED WITH NO RECOMMENDATION**
12. Mayor's Request (ID # [24-0839](#)) Requesting approval to create the Community Composting Program Stabilization Fund.
- RESULT: RECOMMENDED TO BE DISCHARGED WITH NO RECOMMENDATION**
13. Mayor's Request (ID # [24-0838](#)) Requesting approval to appropriate \$500,000 from the COVID-19 Stabilization Fund for funding for the SPS Parent/Guardian Transit Pass Program.
- RESULT: RECOMMENDED TO BE DISCHARGED WITH NO RECOMMENDATION**
14. Mayor's Request (ID # [24-0837](#)) Requesting the appropriation of \$500,000 from the Unreserved Fund Balance ("Free Cash") to the COVID-19 Stabilization Fund to fund the Somerville Public School Parent/Guardian Transit Pass Program.
- RESULT: RECOMMENDED TO BE DISCHARGED WITH NO RECOMMENDATION**
15. Mayor's Request (ID # [24-0836](#)) Requesting the appropriation of \$270,000 from the Unreserved Fund Balance ("Free Cash") to the Immigrant Legal Services Stabilization Fund for immigration legal services.
- RESULT: RECOMMENDED TO BE DISCHARGED WITH NO RECOMMENDATION**
16. Mayor's Request (ID # [24-0835](#)) Requesting the appropriation of \$2,000,000 from the Unreserved Fund Balance ("Free Cash") to the Affordable Housing Trust Fund to support flexible rental assistance programs.
- RESULT: RECOMMENDED TO BE DISCHARGED WITH NO RECOMMENDATION**
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17. Mayor's Request (ID # [24-0834](#)) Requesting approval of a transfer of \$2,110,472 from the Salary Contingency Account-Salaries to the Salary & Wage Stabilization Fund.
RESULT: RECOMMENDED TO BE DISCHARGED WITH NO RECOMMENDATION
18. Mayor's Request (ID # [24-0833](#)) Requesting the appropriation of \$500,000 from the Unreserved Fund Balance ("Free Cash") to the Traffic Safety Stabilization Fund for traffic safety improvements.
RESULT: RECOMMENDED TO BE DISCHARGED WITH NO RECOMMENDATION
19. Mayor's Request (ID # [24-0832](#)) Requesting the appropriation of \$7,635,022 from the Unreserved Fund Balance ("Free Cash") to the Facility Renovation and Reconstruction Stabilization Fund to support the 5-Year Capital Investment Plan.
RESULT: RECOMMENDED TO BE DISCHARGED WITH NO RECOMMENDATION
20. Mayor's Request (ID # [24-0831](#)) Requesting the appropriation of \$2,089,659 from the Unreserved Fund Balance ("Free Cash") to the Street Reconstruction and Renovation Stabilization Fund to support the 5-Year Capital Investment Plan.
RESULT: RECOMMENDED TO BE DISCHARGED WITH NO RECOMMENDATION
21. Mayor's Request (ID # [24-0830](#)) Requesting the appropriation of \$403,187 from the Unreserved Fund Balance ("Free Cash") to the Energy Stabilization Fund for projects that reduce carbon emissions and energy costs.
RESULT: RECOMMENDED TO BE DISCHARGED WITH NO RECOMMENDATION
22. Mayor's Request (ID # [24-0829](#)) Requesting the appropriation of \$2,589,087 from the Unreserved Fund Balance ("Free Cash") to the Capital Projects Stabilization Fund to support the 5-Year Capital Investment Plan.
RESULT: RECOMMENDED TO BE DISCHARGED WITH NO RECOMMENDATION
23. Mayor's Request (ID # [24-0828](#)) Requesting the appropriation of \$943,392 from the Unreserved Fund Balance ("Free Cash") to the Parks Stabilization Fund to support the 5-Year Capital Investment Plan.
RESULT: RECOMMENDED TO BE DISCHARGED WITH NO RECOMMENDATION
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24. Mayor's Request (ID # [24-0827](#)) Requesting the appropriation of \$400,000 from the Unreserved Fund Balance ("Free Cash") to the Water Stabilization Fund to support the Water-Sewer Capital Investment Plan.
- RESULT: RECOMMENDED TO BE DISCHARGED WITH NO RECOMMENDATION**
25. Mayor's Request (ID # [24-0826](#)) Requesting the appropriation of \$1,600,000 from the Unreserved Fund Balance ("Free Cash") to the Sewer Stabilization Fund to support the Water-Sewer Capital Investment Plan.
- RESULT: RECOMMENDED TO BE DISCHARGED WITH NO RECOMMENDATION**
26. Mayor's Request (ID # [24-0825](#)) Requesting the appropriation of \$1,200,000 from the Unreserved Fund Balance ("Free Cash") to the Other Post Employment Benefits (OPEB) Trust Fund.
- RESULT: RECOMMENDED TO BE DISCHARGED WITH NO RECOMMENDATION**
27. Mayor's Request (ID # [24-0824](#)) Requesting the appropriation of \$500,00 from the Unreserved Fund Balance ("Free Cash") to the Compensated Absence Liability Fund.
- RESULT: RECOMMENDED TO BE DISCHARGED WITH NO RECOMMENDATION**
28. Mayor's Request (ID # [24-0823](#)) Requesting the appropriation of \$1,000,000 from the Unreserved Fund Balance ("Free Cash") to the Salary & Wage Stabilization Fund.
- RESULT: RECOMMENDED TO BE DISCHARGED WITH NO RECOMMENDATION**
29. Mayor's Request (ID # [24-0822](#)) Requesting the appropriation of \$2,584,976 from the Unreserved Fund Balance ("Free Cash") to the Rainy Day Stabilization Fund.
- RESULT: RECOMMENDED TO BE DISCHARGED WITH NO RECOMMENDATION**
30. Mayor's Request (ID # [24-0821](#)) Requesting approval of the expenditure limitations for departmental Revolving Funds for FY 2025.
- RESULT: RECOMMENDED TO BE DISCHARGED WITH NO RECOMMENDATION**
31. Mayor's Request (ID # [24-0820](#)) Requesting the appropriation or reserve of \$3,436,205 in estimated FY 2025 Community Preservation Act (CPA) revenue for CPA projects and expenses.
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| | | RESULT: <u>RECOMMENDED TO BE DISCHARGED WITH NO RECOMMENDATION</u> |
| 32. | Mayor's Request
(ID # 24-0819) | Requesting the appropriation of \$237,000 to fund the FY 2025 Dilboy Fields Enterprise Fund budget.
RESULT: <u>RECOMMENDED TO BE DISCHARGED WITH NO RECOMMENDATION</u> |
| 33. | Mayor's Request
(ID # 24-0818) | Requesting the appropriation of \$736,255 to fund the FY 2025 Kennedy School Pool Enterprise Fund budget.
RESULT: <u>RECOMMENDED TO BE DISCHARGED WITH NO RECOMMENDATION</u> |
| 34. | Mayor's Request
(ID # 24-0817) | Requesting the appropriation of \$21,398,392 to fund the FY 2025 Water Enterprise Fund budget.
RESULT: <u>RECOMMENDED TO BE DISCHARGED WITH NO RECOMMENDATION</u> |
| 35. | Mayor's Request
(ID # 24-0816) | Requesting the appropriation of \$31,947,141 to fund the FY 2025 Sewer Enterprise Fund budget.
RESULT: <u>RECOMMENDED TO BE DISCHARGED WITH NO RECOMMENDATION</u> |
| 36. | Mayor's Request
(ID # 24-0814) | Requesting the appropriation of \$342,878,129 to fund the FY 2025 General Fund Operating Budget.
RESULT: <u>RECOMMENDED TO BE DISCHARGED WITH NO RECOMMENDATION</u> |
| 37. | Officer's
Communication
(ID # 24-0913) | Director of Water and Sewer conveying the FY 2025 Water & Sewer Rate proposal.

Director Vidalis recapped the discussions from the last few meeting and provided answers to questions asked last night as well as the Water and Sewer (WS) communication plan, (uploaded to the digital budget). The Department of Revenue has informed the department that it cannot provide the remedy to rate payers in the form of a credit. Director Vidalis noted that year over year rate increases have been consistent over the past several years. He explained that the option before the Council would use the retained WS earnings to lower the overall rate, however, it would require that the city borrow more money to continue doing the work that needs to be done. |

Chair Wilson expressed his desire to explore how the work can get done without increasing rates. He explained that this proposal is being presented now to give the WS Department some guidance on where the City Council stands on the issue. He will call for a Resolution to be made with the new numbers and voted on tonight. A new proposal will come before the City Council on Thursday evening, June 20th.

Councilor Ewen-Campen made the following motion:

That the Administration resubmit the FY25 water and sewer rates as follows: no change in base charges, 9.5% increase in the water rate and 0% increase in the sewer rate.

Several Councilors spoke on the item expressing their concerns, including:

- this isn't a top priority for the city,
- there's a lack of faith in the entire system,
- the continual use of contracted labor and the department's inability to fill vacant positions,
- budgeting vacant positions for a full year without any momentum for filling them,
- although the city budget has grown, the city looks to rate payers to pay for the infrastructure project,
- rate increases are a work around,
- lack of a 'roadmap' showing where the city should be.

Director Raiche commented that as the infrastructure program matures, more work will be taken on by city staff, but there is some heavy work that needs to be done by outside contractors. He noted that stabilization funds are for long term use and that using retained earnings to lower the WS rates makes him nervous. Director Hartke noted that approximately 42% (\$34.5 million) of the city's ARPA funds were allocated for infrastructure. \$4 million has been set aside for Fire Department station improvements which could potentially be shifted to WS. Chair Wilson urged the Administration to recommit any available ARPA funds to the Poplar Street pump station project and Director Hartke noted that \$10 million of ARPA money has been allocated for that project.

Director Vidalis spoke about working towards making bills more affordable in such a manner that it helps everyone, including renters, small business and commercial property owners. There was a discussion about the 'catch up' bills and the rates used to calculate them.

APPROVED on a roll call vote of 6 in favor (Councilors Davis, Strezo, Pineda Neufeld, Ewen-Campen, Clingan, and Wilson), 5 against (Councilors McLaughlin, Mbah, Burnley, Sait and Scott) and none absent.

RESULT: RECOMMENDED TO BE DISCHARGED WITH NO RECOMMENDATION

Motions

Motion by Councilor Wilson:

That line 0115251 511000, Human Resources Personal Services Salary, be reduced by \$30,778 to \$1,508,672 in the FY2025 budget.

APPROVED on a roll call vote of 11 in favor (Councilors McLaughlin, Davis, Mbah, Strezo, Pineda Neufeld, Ewen-Campen, Clingan, Burnley, Sait, Scott and Wilson), none against and none absent.

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Motion by Councilor Wilson:

That the Administration re-allocate an additional \$67,840 to line 0151251 511000, Health & Human Resources Personal Services Salaries to fund an additional Case Manager position in Health & Human Services in the FY 2025 budget.

Councilor Wilson spoke on the item and said it would help in connecting with the city’s most vulnerable populations and free up health workers to do their jobs.

APPROVED on a roll call vote of 10 in favor (Councilors McLaughlin, Davis, Mbah, Strezo, Pineda Neufeld, Ewen-Campen, Clingan, Sait, Scott and Wilson), 1 against (Councilor Burnley) and none absent.

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Councilor Scott introduced a motion, saying that he wants to address inequality in the city by rolling back just shy of \$300,000 in Executive/Administration salaries by freezing the salaries of senior executives because the SMEA union has gone years without a contract. He provided a breakdown of the proposed cuts, saying that the budget is fungible, so there’s no need to make line by line cuts.

Motion by Councilor Scott:

To cut the Executive Administration Personal Services budget line by \$299,459, reflecting the difference between the total department head budgeted salaries in FY25 proposed budget versus FY24 and the difference between the non-union Executive Administration staff salaries in FY25 proposed budget versus FY24.

Several councilors weighed in on the item, both for and against. Some in favor cited support for the union and reallocating the funds for other purposes, e.g., to meet the needs of the elderly, provide

transportation for students, bolster health programs, and expand the scope of the composting pilot. Some against the motion said that it punishes people who aren't to blame for the lack of a union contract. Councilor McLaughlin drew attention to the irony of the proposal, saying that some councilors have advocated for a 100% increase in their own salaries.

Councilor Strezo stated her preference to review the cuts line by line and asked for explanations for some of the salary figures. Director Mastrobuoni explained that any deviation could be the result of a number of factors, e.g., vacancies, grant funding, etc., and that he would have to research any positions/salary increases singled. Councilor Scott stated that he appreciated hearing from councilors and would like the cut acted on as proposed, rather than line by line.

Director Mastrobuoni stated that the Administration is in agreement that the union employees deserve fair, equitable wages, adding that it takes time to address the inequalities built up over long periods of time. The Administration negotiations based on wage analysis and uses facts and data to reach decisions.

MOTION FAILED on a roll call vote of 5 in favor (Councilors Strezo, Clingan, Burnley, Sait and Scott), 6 against (Councilors McLaughlin, Davis, Mbah, Pineda Neufeld, Ewen-Campen and Wilson) and none absent.

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Motion by Councilor McLaughlin:

That the Administration - Executive Office, Chief Administration Officer line be reduced by \$185,466 in the FY2025 budget.

Councilor McLaughlin spoke about his initial support for this position, saying he thought it would lead to more interaction with the City Council, but that with each restructuring of the Administrative branch, the City Council gets more isolated. He continued by saying that he doesn't know who is making the decisions for the city on various matters, including lateral hiring and homelessness. He stated that cutting this position would force the mayor to attend important meetings herself.

Councilor Burnley commented that the CAO has done a good job reaching out to the City Council, but he will support the cut. Councilor Clingan stated his support for the cut, hoping it has the intended effect. Councilor Davis noted that the CAO is very

capable, but this is not the right way to spend the city’s money. Councilor Pineda Neufeld advocated for this position last year but now feels that it’s redundant, especially when asking people to do more with less. Councilor Mbah expressed support for the cut and said that there are too many roadblocks.

Councilor Ewen-Campen noted that he voted to fund this position and for enshrining it in the City Charter. He went on to say that there are many things he’d do if he were mayor, but he doesn’t see how this proposal gets the Council closer to anything. Councilor Clingan suggested considering striking the position from the City Charter. Councilor Wilson stated that he likes the idea of continuity when bridging mayoral terms and noted that there can be some decisiveness in the position. He will not be supporting the cut.

Councilor McLaughlin commented that this isn’t a magic bullet, but that he doesn’t think the position needs to exist and that it seems like positions are being used to obstruct his efforts.

Chief of Staff Spencer addressed the Council saying that she’s not going to ask her colleague to defend her position. She explained that part of the CAO’s position involves handling the issues that the Council cares about. She went on to say that the CAO has never sat out from a meeting with any councilor and that without CAO Vargas, it would be difficult to manage things effectively and work on the important initiatives, e.g., an overdose prevention center. Chief Spencer said that just because someone doesn’t see the work happening, it doesn’t mean that it isn’t getting done.

Councilor Clingan stated that there has never been an attempt made to meet with councilors.

APPROVED on a roll call vote of 9 in favor (Councilors McLaughlin, Davis, Mbah, Strezo, Pineda Neufeld, Clingan, Burnley, Sait and Scott), 2 against (Councilors Ewen-Campen and Wilson) and none absent.

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Motion by Councilor Pineda Neufeld:
That the Administration allocate \$185,466 to Health and Human Services in the FY2025 budget to continue to serve residents through a transit equity program run through the Office of Food Access and Healthy Communities.

Approved on a voice vote.

Referenced Documents:

- Finance 2024-06-18 Councilor Scott Dept Head Motion
- Finance 2024-06-18 Water and Sewer Revised Rate Presentation FY25