



CITY OF SOMERVILLE, MASSACHUSETTS CLERK OF COMMITTEES

June 22, 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: Ed Bean – Finance, Michael Mastrobuoni – SomerStat, Frank Golden – Assessing, Nick Antanavica – ISD, Alan Inacio – OSPCD, Nick Salerno – Elections, John Long – City Clerk, Linda DuBuque – Treasury, Michael Pasquariello – Retirement, Chief Fire Engineer Charles Breen – SFD, Annie Connor – Legislative Affairs, Peter Forcellese – Legislative Clerk.

The meeting took place virtually via GoToWebinar and was called to order at 6:04 PM by Chairman Scott and adjourned at 10:55 PM on a Roll Call votes of 5 in favor (Councilors White, Rossetti, Mbah, Ballantyne and Scott) to none against.

Review of the FY-21 Budget Revenue Questions

Mr. Bean reported that the property tax is at the levy limit and that \$5.25 million has been transferred from free cash. New growth was particularly stellar, but he doesn't know how the pandemic will affect new growth going forward. Mr. Bean noted that the PILOT for Tufts is still being negotiated and will probably be same as the last fiscal year. Mr. Golden told the committee that the new growth projection is a conservative, but firm, estimate. He spoke about a situation involving Partners HealthCare's PILOT, or more specifically, their tax agreement (which expires in 2034). Apparently, their garage is being leases to Federal Realty and the assessors have an issue with this. The matter is currently in litigation and when resolved, the revenue will be visible in the tax revenue line rather than in the PILOT line. Should the matter not be resolved, the city could place a lien on the garage. Councilor Rossetti asked that the City Council be informed when the matter is resolved and be provided the amount billed for the outside counsel.

Mr. Antanavica told the committee that the plan to charge safety fees was originally put into development prior to the pandemic and that additional time is involved and additional staff is needed to put it into operation. The fee also includes all ancillary staff that takes care of the

complaints and reviews. Somerville's fee (\$3.50 per \$1,000 cost of construction) is the lowest cost of this type when compared to other communities. The fee might be waived for emergency repairs, but there is nothing definite on that yet. Mr. Antanavica pointed out that the positions aren't vacant, nor listed, since funding for them has not yet been approved. Councilor Rossetti stated her objection to the new fee and asked what happens after the pandemic ends, to which Mr. Antanavica replied that it would continue on, as it was considered prior to the COVID pandemic.

Councilor White noted that the fee line is listed as a revenue source, yet ISD doesn't presently have the staff to handle it. Mr. Antanavica stated that the fee has not been charged yet (it will begin in July) and does not need approval to be assessed. Councilor White cautioned that for a fee to be charged, it has to be valid, otherwise it's a tax.

Councilors reviewed the revenue table and discussed decreases in:

- Rentals line (decreased by 75% mainly due to the Buena Vista garage and a decrease in school building rentals)
- Licenses and Permits (partly due to low residential parking permits)
- Fines & Forfeits (decreased 50%, largely due to reduced issuance of parking fines, surcharges, etc.)
- Misc Recurring line (decreased mostly from a reduction in Medicare)

Councilor Rossetti said she believes that the estimates are disingenuous and agrees with Councilor Mbah that if the budget is less, taxes could be lowered.

Mr. Bean and Mr. Antanavica explained that increased permit fee revenue is coming from potential projects coming online, as well as all small projects. Also, the cost per construction value was updated. About 60% of construction is made up of neighborhood projects with the remaining 40% being developments and larger projects. Councilor Mbah asked if the city is attempting to balance the budget by using conservative estimates and Mr. Bean replied that COVID implications were the impetus for some of the changes and the city will have a better sense of where it stands at the end of the year. Mr. Bean is projecting a 25% drop in state aid and noted that the state budget hasn't been set yet. The city's budget will be adjusted around November or December.

The following departments appeared before the committee.

ISD

Two food inspector employees are being moved to safety inspection positions. Mr. Antanavica stated that the food positions have been advertised and that no qualified applicants were found in the first round. The pandemic came along during the 2nd round, and there still were no applicants who met the criteria. Mr. Mastrobuoni explained that the positions are based on union negotiations, and the city isn't sure what the salary would be, so some room was left to raise the salary, assuming it's for less than a full year.

Councilor Rossetti noted that the extermination line (538004) has been reduced even though the rodent problem still exists. She read a letter from a constituent who was frustrated with the city's efforts regarding this matter and who asked for new approaches to address the problem. Councilor Rossetti said people are still being given the same promises and nothing is getting

done. She asked what amount of money does ISD need to deal with the situation successfully and she asked that Mr. Antanavica have answers to the rodent problem when ISD next returns before the committee.

Elections

Mr. Salerno spoke about the yearly census and said that, regarding mail in ballot requests, the MA legislature is working out details for Secretary of State to follow. The Secretary of State will do a mailing to every registered voter in MA, at state cost. As requests come into the city, the city will pick up the cost of mailing ballots. Sometime in August, the Secretary of State will have all applications for absentee ballots and will do a bulk mailing of ballots, at their cost. Mr. Salerno expects that a tremendous amount of ballots will be mailed out. Somerville will have mail in voting, early voting and in person voting. With respect to poll workers, some communities have only been able to secure 50% of their poll workers so the state is advertising for poll workers to assist communities.

There was a discussion about whether the increased cost for elections is able to be charged to the CARES Act and Mr. Salerno believes that it can because a whole process is being developed and will require 6 full time temps to meet the workload of mail in ballots. Mr. Bean added that there is a lot of interest in this subject and the state has only distributed 25% of the CARES Act funds received. He's not sure if the \$7 million that the city received can be used for this.

The meeting recessed at 8:37 PM and reconvened at 8:43 PM

City Council

Mr. Long reviewed this portion of the budget.

Councilor Rossetti made a **motion to reduce line number 571001 (In State Conferences) in the City Council Budget by \$1,199.00** The motion was tabled.

Clerk of Committees

Mr. Long told the committee that the remote meetings caused the Personal Services line to increase and he thinks an additional \$15,000 may be needed if online meetings continue for any length of time. This extra amount was inadvertently omitted from the proposed budget and Mr. Bean will find a way to accommodate this need before the budget is finalized.

City Clerk

Mr. Long reviewed this department's budget.

Licensing Commission

Mr. Long reviewed this department's budget.

Treasury

Ms. Dubuque noted that there is a principal clerk position vacant and said she was instructed to leave the senior clerk position vacant for 6 months due to the COVID pandemic. Councilor Rossetti asked Mr. Bean to reconsider fully funding the vacant senior clerk position. Mr. Mastrobuoni said that as revenue comes in and state aid is known, the city will attempt to start filling vacant positions.

Building Insurance & Cyber Insurance

Ms. Dubuque reviewed various policies and costs with the committee. Cyber insurance is included in the building insurance. Mr. Bean noted that the Judgement/Settlement line (576000) Includes all settlements made by the city.

Misc Non-department budgets – debt

This will be dealt with at a later time.

State Assessment**Unemployment**

Mr. Mastrobuoni reported that there is a 5% increase in this line.

Pensions

Mr. Pasquariello reviewed this portion of the budget.

Salary Contingency

Mr. Mastrobuoni explained that this line is used to fund FY-21 anticipated expenditures for union contracts.

The meeting recessed at 10:00 PM and reconvened at 10:05 PM

Fire

Chief Fire Engineer Breen explained that the pandemic has stalled the promotion process and resulted in some position being filled on an acting basis. Councilor Rossetti expressed concern that due to the length of time that some employees have been in an acting capacity, those individuals might be in jeopardy of falling off the promotion list when it runs out. She would like to move forward with the promotions. Chief Breen said nobody up for promotion has lost the position due to this and that none of the employees in acting capacities are in danger of losing the positions. He has been assured that the administration wants to move forward. MJ wants to hear from the administration on this and said that she has asked for this to be resolved and has received no response from the administration. Ms. Connor will raise the concern tomorrow and attempt to provide a response. There are 2 vacancies for firefighters at the present time. The entrance exam date has not been scheduled, however the deadline to sign up was in April. Chair Scott asked Ms. Connor about item 206099 (an ordinance to replace Ordinance 5-32 regarding Fire Department salaries) and she will follow up.

Fire Alarm

Chief Fire Engineer Breen reviewed this portion of the budget.

Emergency Management

Chief Fire Engineer Breen reviewed this portion of the budget.

General comments

Councilor Ballantyne inquired about some orders she submitted in preparation for the FY21 budget and Mr. Bean replied that Mr. Raiche and OSPCD submitted two detailed memos of projects and progress. He is also trying to get a list of the contracts that might be affected. Councilor Ballantyne said that she reviewed the plans from Mr. Raiche, but she doesn't know if it's in response to her order and she wants to make sure that the list is complete. Mr. Bean will convey the concern to Mr. Raiche.

Councilor Rossetti asked that the stabilization fund balances be provided and Mr. Bean said that he will post them online.

The committee discussed possibly scheduling a Finance meeting prior to the June 25th City Council meeting to handle any public hearing "overflow". All members stated their willingness to keep the public hearing going until all who wanted to speak got the opportunity to do so.

210295: Requesting an appropriation of \$26,004,509 to fund the FY21 Sewer Enterprise Fund Budget.

RESULT:	KEPT IN COMMITTEE
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210296: Requesting the appropriation of \$15,914,535 to fund the FY21 Water Enterprise Fund Budget.

RESULT:	KEPT IN COMMITTEE
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210297: Requesting the appropriation of \$699,725 from the Water Enterprise Fund Retained Earnings Account to subsidize the FY21 Water Enterprise Fund Budget.

RESULT:	KEPT IN COMMITTEE
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Handouts:

- Water & Sewer Owner Occupied Exemption (with 210295, 210296, 210297)
- OOX_CC_Memo_20200303 (with 210295, 210296, 210297)
- Northeastern Water Affordability 2019 (with 210295, 210296, 210297)
- somerville_presentation_v24_City_Council_meeting_draft_ (with 210295, 210296, 210297)