# Charter Review: Balance of Power/Budget

Somerville MA City Council February 22, 2023

#### Tonight's Agenda

Anticipated Schedule

Reminder of Procedure

Balance of Power Section: Final Recommendation for Review

Budget Section: 7 Recommendations for Review

## **Anticipated Schedule**

- Virtual, March 9
  - Topic Area: Budget/Finance
- Virtual, March 23
  - Topic Area: Miscellaneous Recommendations
- Virtual, April 12
  - Any remaining Recommendations
  - Reconvene on Recommendations sent to Working Groups
- Virtual, April 26
  - Review of other effective changes not covered by the report

#### Resources and Process

- Subject Matter Experts: Collins Center consultants
  - Contract still not in place
  - Legislative Policy Analyst Brendan Salisbury serving as City Council liaison
- Subject Matter Experts: Charter Review Committee members
  - Bev Schwartz (member) and Anna Corning (Mayor's Office), liaisons
  - Questions submitted through the Chair in advance will give time to research answers and arrange for attendees to help with discussion
- Topic Areas will be published in advance, on Agendas
- Online Document repository: tinyurl.com/hashtagCharterReform

# Parliamentary Procedure

#### Deliberation

Largely focused on the current topic area; Rules of the Council prevail

#### Resolutions are "in order"

- Resolutions to recommend adoption of the Committee's suggested text
- Resolutions to request amended text to address the Council's intent
  - Motions to amend are not, there is no text before us
  - Amended text will be reviewed at a future meeting
- Once all topics have been resolved, a final HRP Text will be submitted
- Working Groups may be formed to work on issues and return with compromise

#### Balance of Power

Retain Mayor-Council Form of Government

**Retain City Council Structure** 

Retain 2-year Council Term

Increase Mayoral Term to 4 Years

Establish a Chief Administrative Officer Subject to Confirmation

#### Balance of Power, continued

Advisory Legal Counsel for City Council

Allow City Council to Hire Staff

Add Access to Information Provision to Charter

Change Department Head Hiring/Appointment Process

Change Multiple Member Body (MMB) Appointment Process

Recco #16: Change the multiple member body (MMB) structure.

The committee recommends three changes for multiple member bodies:

- 1. Holdovers and temporary appointments last 150 days, with an option for 60-day extensions with city council approval;
- 2. City council has 45 days from filing to confirm or reject mayoral appointments, and can have a single 15-day extension upon request; and
- 3. MMBs, their structures, and term lengths will be specified in Administrative Code. For MMBs governed by MGL, MGL takes precedence.

Recco #16: Change the multiple member body (MMB) structure.

#### The committee recommends keeping:

- 1. Current procedures for removal of MMB appointments (the appointing authority is the removing authority)
- 2. Current practice that the mayor serves ex officio on all MMBs
- 3. Use of uniform procedures for MMBs including following Open Meeting Law
- 4. MMB members are appointed for terms.

Recco #16: Change the multiple member body (MMB) structure.

#### Policy Considerations

- There are over 400 seats on the 40+ MMBs. The committee sought to balance the needs of the Mayor to track and fill these positions in a timely manner with city council's desire for oversight and approval. Currently, there is no time limit for holdovers and temporary appointments to MMBs, giving the mayor the ability to keep members who would not otherwise get approval from city council.
- The committee recco'd a timeline that provides the mayor with adequate time to fill seats, the ability to extend the temp appointment or holdover if the mayor has trouble filling the seat, and the ability for city council to bring an end to a holdover if they feel the extensions are being used improperly.
- For MMBs governed by MGL which require a quorum to function, MGL takes precedence.

- Policy Considerations
  - The authority, code, and legislation for MMBs all currently exist across multiple sources: MGL, the charter, and ordinances. The committee felt it was important to have all of these laid out clearly and transparently in the Administrative Code. A Periodic Review of MMBs has been established, the first to happen upon the passing of the charter..
- Community Feedback: There were a few responses to the community survey expressing frustration with the lack of accountability for holdovers on MMBs.

- Text from Proposed Charter: SECTION 2-8: CITY COUNCIL CONFIRMATION OF CERTAIN APPOINTMENTS
  - (b) Multiple Member Bodies The mayor shall refer to the city council and simultaneously file 0 with the city clerk the name of each person the mayor desires to appoint as a member of a multiple member body. The city council shall have 45 days after the date on which notice of the proposed appointment was filed with the city clerk to vote to approve or reject the appointment, with approval not to be unreasonably withheld. If the city council does not approve or reject the appointment within 45 days, it may file a 15-day extension with the city clerk. If the time period elapses and no extension has been filed, the appointment shall be deemed approved. Multiple member body members may be removed at the discretion of their appointing authority subject to limitations and requirements imposed by federal and state laws, rules, and/or regulations.

- Text from Proposed Charter: SECTION 3-5: APPOINTMENTS BY THE MAYOR
  - (b) Multiple Member Bodies The mayor shall appoint, subject to confirmation by the city council under section 2-8(b), all members of multiple member bodies for whom no other method of appointment or selection is provided by administrative order or General Laws. All members shall serve terms as defined by administrative order or General Laws.

- Text from Proposed Charter: SECTION 3-8: TEMPORARY APPOINTMENTS TO MMBs
  - Whenever a temporary or permanent vacancy occurs on a multiple member body that is appointed under section 3-5(b), the mayor may designate a person to perform the duties of the office on a temporary basis for up to 150 days until the position can be filled as provided by law or by this charter. If an extension of a temporary appointment is necessary, the mayor may seek additional extensions in 60-day increments, which shall be authorized by a majority vote of the city council. If an extension is not approved, the position shall be deemed vacant, except on multiple member bodies where such vacancy would prevent a quorum. In such instance, a temporary appointment shall be permitted to remain until a successor is qualified, however, the authority of the temporary appointment shall be limited to matters where failure to act by the multiple member body may have adverse consequences to the City.

#### **Budget/Finance Topic Area**

Changes to Budget Timeline Language

Changes to Budget Drafting Process

City Council Oversight of Finances

Capital Improvement Plan Requirements

Participatory Budgeting Study Committee

**Equitable Compensation Study Committee** 

#### Changes to Budget Timeline Language

Recco #23: Change Somerville's timeline for drafting the City budget

The committee recommends four changes from existing language:

- 1. Adding an Annual Budget Meeting prior to April 1;
- 2. Requiring the mayor to submit the budget to city council "on or about" 30 days before the end of the fiscal year;
- 3. Requiring the school committee to submit their budget to the mayor "on or about" 15 days prior to the date the mayor submits their budget;
- 4. Requiring city council to take action on the budget prior to the beginning of the new fiscal year.

## Changes to Budget Timeline Language

Recco #23: Change Somerville's timeline for drafting the City budget

- Policy Considerations:
  - The committee believes formalizing an annual budget meeting, which is rarely held in Somerville, will lead to increased collaboration between branches and create a foundation for parties to proactively compile and draft city budget priorities.
  - Earlier submission deadlines for the mayor and school committee and requirement for city
     council to take action on the budget prior to the new FY intended to promote transparency
- Community Feedback: Many residents advocated for increased transparency in the budget process and increased time for the city council to review the budget.

Recco #24: Change Somerville's mechanics for drafting the City budget.

The committee recommends five changes from existing language:

- 1. Requiring a public budget hearing on or before February 15th;
- 2. Adding a process for city council to submit budget priorities to the mayor;
- 3. Retaining MGL C.44 Sec.32 powers to only delete or decrease budget items;
- 4. Requiring at least one public hearing on the budget prior to city council cuts;
- 5. Requiring the budget to be posted on the city website.

Recco #24: Change Somerville's mechanics for drafting the City budget.

- Policy Considerations:
  - i. increased transparency for residents on the entirety of the budget process
  - ii. elevating city council's role in budget prioritization
  - Requiring two public hearings to the budget process, one at the beginning of the year and one after the budget has been submitted to city council, add formal opportunities for the community to provide budget input
  - Requiring city budget posting to website ensures continued accessibility throughout the budget process.

Recco #24: Change Somerville's mechanics for drafting the City budget.

- Policy Considerations, cont.: Increasing collaboration between the mayor and city council on drafting the budget was a top priority.
  - Only Boston has a different process from MGL C.44 Sec.32, allowing city council to add or reallocate monies in the city budget as of November 2021.
  - Mayor submitted budget in February, city council returned a revised budget three months later. Numerous public hearings held.
  - Committee decided **not** to recommend that process, instead suggesting smaller steps reflecting the FY23 budget practice and requiring them going forward.

Recco #24: Change Somerville's mechanics for drafting the City budget.

- Community Feedback
  - o 52% of survey supported a required public hearing on budget
  - 47% wanted shared budget drafting responsibility between mayor and council
- Many emphasized in their feedback that collaboration between the mayor and city council, accessibility to budget process and documentation, and transparency in the drafting process were critical elements they hoped to see addressed in charter reform.

Recco #23: Change Somerville's timeline for drafting the City budget Recco #24: Change Somerville's mechanics for drafting the City budget.

- Text from Proposed Charter:
- SEC 6-1: FISCAL YEAR
  - The fiscal year of the city shall begin on July 1 and end on June 30, unless another period is required by the General Laws.
- SEC 6-2 COMMUNITY AND COUNCIL BUDGET INPUT
  - The city council shall hold a Community Budget Hearing on or before February 15th of each year in order to solicit public input regarding budget priorities. The city council shall post notice of the Community Budget Hearing 14 days in advance of the hearing. After the Community Budget Hearing but at least 10 days before the Annual Budget Meeting, the mayor shall solicit budget priorities from all city councilors.

Recco #23: Change Somerville's timeline for drafting the City budget Recco #24: Change Somerville's mechanics for drafting the City budget.

#### SECTION 6-3: ANNUAL BUDGET MEETING

On or before April 1st of each year, the mayor shall call a joint meeting of the city council and school committee, including the superintendent of schools, to review the financial condition of the city, revenue and expenditure forecasts for at least 3 years, and other relevant information prepared by the mayor in order to develop a coordinated budget..

Recco #23: Change Somerville's timeline for drafting the City budget Recco #24: Change Somerville's mechanics for drafting the City budget.

- SECTION 6-4: SUBMISSION OF OPERATING BUDGET; BUDGET MESSAGE
  - On or about June 1st, the mayor shall submit to the city council a proposed operating budget for all city agencies for 0 the next fiscal year. The proposed operating budget shall include the school budget, as adopted by the school committee, which shall be submitted to the mayor on or about May 15th. The proposed operating budget shall be accompanied by a budget message and supporting documents. The budget message shall explain the operating budget in fiscal terms and in terms of work programs for all city agencies. It shall outline the proposed fiscal policies of the city for the next fiscal year, describe important features of the proposed operating budget and include any major variations from the current operating budget, fiscal policies, revenues and expenditures together with reasons for these changes. The proposed operating budget shall provide a complete fiscal plan of all city funds and activities and shall be in the form the mayor deems desirable; provided, however, that the budget proposals relative to elected officials shall identify the cost of compensation and the cost of benefits for those officials. The mayor and the superintendent of schools shall coordinate the dates and times of the school committee's budget process under the General Laws.

Recco #23: Change Somerville's timeline for drafting the City budget Recco #24: Change Somerville's mechanics for drafting the City budget.

#### SECTION 6-5: ACTION ON THE OPERATING BUDGET

(a) Public Hearing - The city council shall post a notice of the proposed operating budget as submitted by the mayor. The notice shall state: (i) the times and places where copies of the entire proposed operating budget are available for inspection by the public; and (ii) the date, time, and place when a public hearing on the proposed operating budget shall be held by the city council, at least 7 days after posting of the notice. The city council shall not act on the budget until after the public hearing has occurred.

Recco #23: Change Somerville's timeline for drafting the City budget Recco #24: Change Somerville's mechanics for drafting the City budget.

- SECTION 6-5: ACTION ON THE OPERATING BUDGET, CONT.
  - (b) Adoption of the Budget The city council shall adopt the proposed operating budget, which may have amendments, before the end of the fiscal year. In amending the proposed operating budget, the city council may delete or decrease amounts except expenditures required by law; provided, however, that except on the recommendation of the mayor, the city council shall not increase any specific item or the total of the proposed operating budget, unless otherwise authorized by the General Laws. If the city council fails to act on an item in the proposed operating budget prior to the beginning of the fiscal year, that amount shall, without any action by the city council, become a part of the appropriations for the year and be available for the purposes specified.

Recco #23: Change Somerville's timeline for drafting the City budget Recco #24: Change Somerville's mechanics for drafting the City budget.

- SECTION 6-5: ACTION ON THE OPERATING BUDGET, CONT.
  - (c) Availability of the Operating Budget In addition to any other posting requirements under law, immediately after the submission of the proposed budget to the city council, the mayor or their designee shall post the entire budget document on the city website. Said proposed budget document shall remain posted during the city council review process contained in this article. After the enactment of the budget, the final budget shall be posted on the city website and shall remain there throughout the fiscal year for which it is in effect. The final budget shall reflect any amendments made by the city council and approved by the mayor and shall indicate that it is the final budget.

# City Council Oversight of Finances

Recco #26: Change the appointment of the independent auditor to city council and mandate the appointment.

- Policy Considerations:
  - The current charter enables, but does not require, the mayor to hire an independent auditor. Across Massachusetts, it is considered best practice to require an independent audit annually and for this to be a city council appointment
- Community feedback: Community members supported changing the appointment to city council and making the appointment mandatory.
  - o In the community survey, 63% of respondents supported city council having the authority and 62% of respondents supported the appointment being mandatory.

#### City Council Oversight of Finances

Recco #26: Change the appointment of the independent auditor to city council and mandate the appointment.

- Text from Proposed Charter: SECTION 6-7: INDEPENDENT AUDIT
  - O The city council shall annually provide for an outside audit of the books and accounts of the city to be conducted by a certified public accountant or a firm of certified public accountants, which has no personal interest, direct or indirect, in the fiscal affairs of the city or any of its officers. The mayor shall annually provide to the city council a sum of money sufficient to satisfy the estimated cost of conducting the audit as presented to the mayor, in writing, by the city council. The award of a contract to audit shall be made by the city council on or before September 15 of each year. The report of the audit shall be filed with the city council not later than March 1 in the year following its award. At least every 5 years, the city council shall conduct a competitive procurement process to retain these auditing services.

- The committee recommends three changes to the capital improvement program:
  - 1) Moving the date the mayor submits the Capital Improvement Plan to city council to "on or about" October 15;
    - 2) Requiring a public hearing on the capital improvement plan "on or about" December 1;
  - 3) Moving the date the city council adopts by resolution the Capital Improvement Plan to "on or about" December 1.
- The committee felt it was important to formalize this process in the charter.

- Policy Considerations: Currently in Somerville a capital improvement program is a practice
  encompassed within the general budget submission timeline. The committee considered the
  time-consuming nature of the regular city budget process and deliberated whether the capital
  improvement process should run parallel or be separate. Moving the timeline to the fall allows for
  dedicated time to gather community input and hold a public hearing prior to adoption.
- Community Feedback: There was no community feedback on capital improvement programs.

- Proposed Text: section 6-6: Capital improvement program
  - (a) Submission The mayor shall submit a capital improvement program to the city council on or about October 15
    of each year. This information shall be annually revised by the mayor regarding the capital improvements still
    pending or in the process of being acquired, improved, or constructed. The capital improvement program shall
    include:
  - o (i) a general summary of its contents;
  - (ii) a list of all capital improvements proposed to be undertaken during the next 5 years, with supporting information as to the need for each capital improvement;
  - o (iii) cost estimates, methods of financing, and recommended time schedules for each improvement; and
  - (iv) the estimated annual cost of operating and maintaining each facility and piece of major equipment involved.

- Proposed Text, continued: section 6-6: Capital improvement program
  - o (b) Public Hearing The city council shall post a notice stating: (i) the times and places where entire copies of the capital improvements program are available for the public; and, (ii) the date, time, and place of a public hearing on the plan to be held by the city council at least 14 days after posting of the notice.
  - o (c) Adoption Following the public hearing, but not later than December 1, the city council shall by resolution adopt the capital improvements program. The adopted program may be amended, provided that each amendment shall be voted on separately, and that an increase in the capital improvements program as submitted shall clearly identify the method of financing to accomplish the proposed increase.

- Existing Text, in Ordinance: Sec. 2-23. Capital improvements budget.
  - (a) The mayor shall annually submit to the city council, together with the budget submitted by him or her as required by Chapter 44, Section 32 of the General Laws a suggested five-year program of capital improvements to be undertaken by the city, the first year of said period being the current year of the submission thereof, together with the estimated costs of carrying out such program. The estimated cost of the projects to be undertaken or continued during the first year of said period, and to be paid out of appropriations, shall be included in the budget for the then current year.
  - O (b) The proposed capital outlay program shall specify the proposed projects in an expenditure schedule and shall be accompanied by a financial program which shall clearly outline any bond issues relating thereto, as well as the amount of money proposed to be made available for the program from the annual tax levy.

- Existing Text, in Ordinance: Sec. 2-23. Capital improvements budget.
  - (c) The planning board, redevelopment authority and the several department heads of the city government shall cooperate with and assist the mayor in the preparation, development and implementation of said capital outlay program.
  - O (d) As used in this section the terms "capital improvement," "capital outlay" and "project" shall mean:
    - (1) Any physical betterment or improvement and any preliminary studies and surveys related thereto;
    - (2) The acquisition of property of a permanent nature; (3) The purchase of furnishings or equipment for any betterment or improvement when first erected or acquired; and
    - (4) The purchase of equipment for the maintenance and operation of any department of the city government.

#### Participatory Budgeting Study Committee

#### Recco #37: Establish a Participatory Budgeting Study Committee

- Policy Considerations: Participatory budgeting is a democratic process in which community
  members directly decide how to spend part of a public budget. Cambridge has had 8 cycles of
  participatory budgeting. In 2021, Boston voted via ballot initiative to establish an Office of
  Participatory Budgeting. Establishing a study committee will allow the City to review practices in
  neighboring cities and determine a process that suits the needs of Somerville.
- Community Feedback: 63% of survey respondents would like participatory budgeting.
  - Meeting attendees liked the idea of voters having a direct say in how money is spent, although they weren't sure it should be included in the charter or in an ordinance.

## Participatory Budgeting Study Committee

Recco #37: Establish a Participatory Budgeting Study Committee

- Proposed Text: section 9-7: (e) Participatory Budgeting Study Committee.
  - Within 6 months of the adoption of this charter, the city council shall create a Participatory Budgeting Committee to study participatory budgeting and related participatory mechanisms and prepare recommendations with the goal of increasing resident participation in city government. The directive of this study committee is to consider a full range of options as practicable, provide analysis on the potential benefits and barriers of each option, review the results of previous participatory budgeting programs, and consider which are the best fit for Somerville. If the city council has already taken action consistent with this provision, no action is necessary.

## Participatory Budgeting Study Committee

#### Recco #37: Establish a Participatory Budgeting Study Committee

- Proposed Text: section 9-7 (e) Participatory Budgeting Study Committee, cont.
  - The committee shall consist of seven members: one shall be the Director of Finance or their designee, two shall be community members appointed by the city council, two shall be community members appointed by the mayor, and two shall be community members appointed by the school committee. The committee shall elect a chair and establish the schedule of its meetings.
  - The committee shall issue recommendations to the city council within 12 months of creation. The city council shall take action on the recommendations within 90 days of receipt.

Recco #22: Add a periodic review of compensation of all city employees to ensure compensation is distributed equitably and to the greatest extent possible compensation is sufficient to live in the city.

Policy Considerations: The committee sought to address the wage gap between the
highest and lowest paid city employees. The committee believes all municipal
employees should earn a wage that creates an opportunity for them to create a
sufficient material foundation upon which to have a dignified, productive, and
creative life beyond economics within the City of Somerville.

Community Feedback: There was no community feedback on this.

Recco #22: Add a periodic review of compensation of all city employees to ensure compensation is distributed equitably and to the greatest extent possible compensation is sufficient to live in the city.

- Proposed Text: section 5-3: compensation of city employees
  - The mayor and city council shall provide a review to be made of all municipal employee compensation at 5-year 0 intervals to ensure compensation is distributed equitably across all municipal employees and to the greatest extent possible compensation is sufficient to live in the city. This review shall be made by a special committee to be established by ordinance, and the initial review shall be implemented as provided in Section 9-7(b). The special committee shall receive a budget sufficient to hire qualified consultants and/or any other resources **necessary to undertake a thorough review.** The special committee shall file its report with the city clerk on a date specified by ordinance. This report shall include an analysis of the current pay and compensation structure with recommendations for adjustments to that structure, taking into consideration the city's current and expected financial situation and the impact of the recommendations on the budget. The review of compensation shall be under the supervision of the chief administrative officer.

- Policy Considerations: The Committee recommends the creation of an Equitable Compensation Committee to research, develop and create an implementation strategy to address goals of economic justice for municipal employees.
- An Equitable Wage Distribution Committee can look beyond the current scope of the Municipal Compensation Advisory Board, studying the equitable distribution of wages through all levels of employment with the City of Somerville, rather than the adequacy of municipal compensation
- Community Feedback: There was no community feedback on this.

- SECTION 9-7: (b) CREATION OF THE INITIAL FIRST EQUITABLE COMPENSATION DISTRIBUTION COMMITTEE
  - The mayor and the city council shall convene the initial Equitable Compensation Distribution Committee, pursuant to section 5-3, within sufficient time that the committee's report can be delivered by the date of the Annual Budget Meeting in the following calendar year. If the city council has already taken action consistent with this provision, no action is necessary.
  - o In addition to the subject matter required in section 5-3, the committee's initial report shall include: a) proposed solutions to address existing compensation disparities or related issues, including but not limited to tying mechanisms (a set ratio to determine pay of elected officials, tying the highest possible pay of an elected official to the lowest paid municipal employee), b) a proposed implementation plan to establish compensation distribution standards, c) an analysis of the proposed cost and timeline to implement such standards d) a comparative analysis of other approaches to this issue in similar municipalities and f) an analysis of the impacts on the Somerville community.

- SECTION 9-7: (b) CREATION OF THE INITIAL FIRST EQUITABLE COMPENSATION DISTRIBUTION COMMITTEE
  - The committee shall consist of at least eight members including: the mayor or their designee, the city council President or their designee, one member of the school committee or their designee, one member of the Municipal Compensation Advisory Board, one member of the Charter Review Committee, one community member appointed by the mayor, one community member appointed by the city council, and the City Auditor or their designee. In addition, any other representation deemed necessary by the mayor and city council may be jointly appointed. The committee shall elect a Chair and establish the schedule of its meetings.
  - The committee shall be provided with an initial budget of at least \$50,000 for its expenses, including hiring of consultants as required to assist with the examination and analysis.
  - The committee shall submit a report to the city council and city council shall respond to and vote on the recommendations within 90 days of receipt.

- EXISTING TEXT in Ordinance: Sec. 2-276. Municipal compensation advisory board.
  - There is hereby created a municipal compensation advisory board, to consist of five members, three of whom shall be appointed by the mayor and two of whom shall be appointed by the president of the city council, to serve for terms coterminous with that of the mayor.
  - Sec. 2-277. Municipal compensation advisory board duties. The municipal compensation advisory board shall
    continuously study the adequacy of the compensation and expense allowances of all municipal elected officials, all
    officials appointed by the mayor subject to the approval of the city council, and any other officials or employees of
    the city excluded by law from collective bargaining.
  - Sec. 2-279. Municipal compensation advisory board reports. Each even-numbered year, by the third week of
    November, the municipal compensation advisory board shall report to the mayor and city council its
    recommendations and findings relative to compensation and allowances for those under its jurisdiction. A copy of
    said report shall be filed with the city clerk and shall be a public record.

#### **BONUS Finance Text**

Recco #??: Expenditures in Excess of Appropriations

- SECTION 6-8: EXPENDITURES IN EXCESS OF APPROPRIATIONS
  - Except as otherwise provided by law, an official of the City of Somerville shall not knowingly or intentionally expend in a fiscal year sums in excess of the appropriations, awards, grants or gifts duly made in accordance with law or involve the city in any contract for the future payment of money in excess of these appropriations, awards, grants or gifts. It is the intention of this section that section 31 of chapter 44 of the General Laws shall be strictly enforced. Any official who violates this section shall be personally liable to the city for any amounts so expended to the extent that the city does not recover these amounts from the person to whom the sums were paid.