



City of Somerville, Massachusetts

City Council Finance Committee

Meeting Minutes

Monday, June 5, 2023

6:00 PM

This meeting was held via Zoom and was called to order by Chair Wilson at 6:00 p.m. and adjourned at 7:12 p.m. on a Roll Call Vote: 5 in favor (Councilors Ewen-Campen, Clingan, Kelly, Scott, Wilson), 0 opposed, 0 absent.

Others present:

Michael Potere – Assistant Clerk of Committees; Michael Mastrobuoni – Budget Director; Kimberly Wells – City Clerk; Angela Allen – Chief Procurement Officer; Andrea Caruth – Deputy Chief Procurement Officer; Nicholas Salerno – Chairman of Elections; Maria Pierotti – Deputy Election Commissioner; and Megan Arruda – Assistant Election Commissioner.

Roll Call

Present:	Chairperson Jake Wilson, Vice Chair Jefferson Thomas (J.T.) Scott, Charlotte Kelly, Jesse Clingan and Ben Ewen-Campen
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1. Review of the FY 2024 Budget

- **City Council**
- **Clerk of Committees**
- **Procurement & Contracting Services**
- **Elections**
- **Revolving Funds**
- **PAYGO**
- **Debt Service**
- **State Assessments**
- **Unemployment Compensation**
- **Pension**
- **Salary Contingency**
- **Revenue Questions**

1. City Council

Clerk Wells stated that the \$60,000 in the budget for the City Council support staff can be spent at the discretion of the City Council. Clerk Wells expressed that her suggestion to the Council would be to hire two part-time positions: one to support the Finance Committee, and another to support the newly created Wage Theft Committee.

Clerk Wells noted that some of the decreases in funding in the budget for the City Council are not cuts, but instead reflect a shifting of those funds to the City Clerk, which already handles many of the City Council's maintenance matters.

Chair Wilson noted that there were no motions or resolutions on this subject.

2. Clerk of Committees

Clerk Wells stated that the decrease in the Personal Services budget reflects the change in pay structure for the clerks, moving from a monthly stipend to an hourly wage, which allows the Clerk's Office to measure the amount of time the clerks spend working and provides for overtime pay where applicable.

Clerk Wells also noted that some of the decreases in the Ordinary Maintenance budget again reflects the streamlining of the funding through the City Clerk's office, not overall cuts.

Councilor Kelly asked Director Mastrobuoni if the Fiscal Year 2023 figures presented the actual amounts spent to date or the entirety of Fiscal Year 2023, who replied that the numbers reflect actual spending and would be updated on a weekly basis through the end of the fiscal year.

Councilor Kelly asked Clerk Wells if the anticipated Personal Services budget for Fiscal Year 2024 considered the entirety of the Fiscal Year 2023 spending, which will increase during the course of this month. Clerk Wells replied that the Fiscal Year 2024 budget is based upon the Clerk's analysis of actual hours spent working, and includes consideration of the flat monthly rates that the clerks were previously paid.

Chair Wilson noted that there were no motions or resolutions on this subject.

3. Procurement & Contracting Services

Angela Allen, Chief Procurement Officer, and Andrea Caruth, Deputy Chief Procurement Officer, offered to answer questions regarding their proposed budget.

Director Mastrobuoni stated that the best place for members of the public to view the previously submitted questions for this department is the city's website at:

<https://city-somerville-ma-budget-book.cleargov.com/resource/cleargov-prod/projects/documents/b49d6b8349e09840c136.pdf>.

Councilor Scott asked about \$15,000 for software support services that was included in the Fiscal Year 2023 budget and not in the current one for 2024, and Allen responded that they did not think the department would be able to implement the software services procurement in the coming year, and was therefore offering the money back to the overall budget. Councilor Scott asked what it would take for the department to have the capacity to implement it this year, and Allen replied that the staff are currently spread

thin and that although the project previously seemed feasible, it no longer looks as straightforward.

Councilor Ewen-Campen asked about what is being done to speed up the contracting process for the city's nonprofit partners, to which Chair Wilson expressed agreement. Director Mastrobuoni replied that it is an interdepartmental question, that the city is becoming a grantor to these nonprofit organizations in a way it had not anticipated, and that the processes and procedures regarding these contracts and grants are currently being developed.

Chair Wilson noted that there were no motions or resolutions on this subject.

4. Elections

Commissioner Salerno introduced Maria Pierotti, Deputy Election Commissioner, and Megan Arruda, Assistant Election Commissioner. Commissioner Salerno indicated that the department's budget was not changing, with the exception of an estimated decrease associated with hiring in-house staff to handle mail-in balloting and registration instead of a third-party contractor.

Councilor Scott expressed support for the department's budget.

Councilor Kelly asked about the timeline for hiring the new employees, and Commissioner Salerno responded that candidates are currently being interviewed and that the positions will be filled before the primary election season.

Chair Wilson noted that there were no motions or resolutions on this subject.

5. Revolving Funds

Councilor Kelly asked about why certain departments had changes to the spending caps in their revolving funds. Director Mastrobuoni responded that departmental revolving funds consist of money collected by the departments for fees, which are used to pay for supplies, etc, and the caps of these funds are established individually by their respective program managers, who would be able to explain why specific caps have changed.

Councilor Kelly asked about the revolving funds for the Commission on Persons with Disabilities, which would be funded by parking violations, and why it was not listed in the budget. Director Mastrobuoni replied that those funds are authorized by a different statute and Massachusetts law, but that the figure in the fund is approximately \$133,000, part of which is being used to fund scholarships. Director Mastrobuoni added that the amount in that fund can increase if more money comes in.

Chair Wilson noted that there were no motions or resolutions on this subject.

6. PAYGO

Councilor Kelly asked about the \$500,000 budgeted for department vehicles for Fiscal Year 2023 and why it is again in the budget for Fiscal Year 2024. Director Mastrobuoni replied that those funds were unspent this year due to the shortage of vehicles available to purchase.

Councilor Kelly asked how much of the \$500,000 in the Fiscal Year 2023 budget for improvements to school buildings had been spent, and Director Mastrobuoni replied that 72% of that budget has either been spent or is encumbered.

Councilor Scott asked if an animal control van had been purchased, and Director Mastrobuoni responded that it had not, due to the overall shortage of vehicles available for the city to purchase.

Chair Wilson noted that there were no motions or resolutions on this subject.

7. Debt Service

Councilor Kelly asked about what factors are driving the 6% debt service increase. Director Mastrobuoni indicated that money had been borrowed for various projects around the city, including sidewalks, streets, and ADA ramp improvements, and that those are the primary drivers behind the increase. Director Mastrobuoni added that although debt servicing increased by 6%, the overall city budget is growing at 10%, creating capacity moving forward.

Chair Wilson noted that there were no motions or resolutions on this subject.

8. State Assessments

Councilor Kelly asked what is driving the increases in costs for charter school tuitions and the MBTA. Director Mastrobuoni first replied that Massachusetts law sets the growth rate for the MBTA, and then explained that the amount for the charter school tuitions is based on estimated enrollment, but that the final amounts will not be available until October 2023.

Chair Wilson noted that there were no motions or resolutions on this subject.

9. Unemployment Compensation

Chair Wilson noted that there were no questions, motions, or resolutions on this subject.

10. Pension

Councilor Kelly asked for additional information regarding the 4% increase in the Personal Services budget, and Director Mastrobuoni explained that it was based on several factors, including cost-of-living increases and actuarial analysis. Councilor Kelly asked if there were any other anticipated increases for the upcoming fiscal year, and Director Mastrobuoni replied that none were readily apparent.

Chair Wilson noted that there were no motions or resolutions on this subject.

11. Salary Contingency

Councilor Scott asked about the increase in this budget item, from \$1.7 million in Fiscal Year 2023 to \$2.5 million in Fiscal Year 2024, and Director Mastrobuoni responded that this amount reflects what the administration is expecting it will be paying its union employees going forward. Councilor Scott asked if the administration believes this amount will cover the city's union salaries, or if any additional appropriations would likely be requested. Director Mastrobuoni replied that there would likely be additional expenditures for union salaries, but those would be paid from the Salary and Wage Stabilization Fund.

Chair Wilson asked how much would be in the Salary Contingency Account if this \$2.5 million is approved, and Director Mastrobuoni replied that the total would be approximately \$8.5 million.

Chair Wilson noted that there were no motions or resolutions on this subject.

12. Revenue Questions

Councilor Kelly asked what was driving the estimated increase of 10% in property tax revenue. Director Mastrobuoni replied that it is based on a formula and includes 2.5% from Proposition 2.5, as well as general growth in the city, which Director Mastrobuoni believes is based primarily on the commercial side.

Councilor Kelly asked about the decrease in fee revenue anticipated for Fiscal Year 2024, and Director Mastrobuoni replied that, among other things, the city lost fees associated with the RCN/Comcast Franchise Fee, which amounted to a loss of \$200,000 in fee revenue for the upcoming fiscal year. Director Mastrobuoni added that the intention was to be conservative in the estimate.

Councilor Kelly asked if the administration had an estimate for what the Fiscal Year 2023 revenue for licenses and permits would be, and Director

Mastrobuoni replied that they are currently above the estimate for the year, and that final amounts will be available at the end of the year.

Councilor Kelly asked about the increase in investment revenue in the proposed budget, and Director Mastrobuoni replied that the city has benefited from rising interest rates.

Councilor Kelly asked how far under the tax levy is the city for the upcoming fiscal year budget projections, to which Director Mastrobuoni replied \$0 (zero dollars).

Chair Wilson stated that there will likely be approximately \$30 million dollars to come in as revenue from real estate taxes for the end of Fiscal Year 2023 that is going to end up as surplus in free cash, and that it is important to public discuss how that money will be used for items like affordable housing and school building and facilities, for example. Director Mastrobuoni replied that the use of free cash was discussed in a previous Finance Committee meeting.

Chair Wilson noted that there were no motions or resolutions on this subject.