



City of Somerville, Massachusetts

City Council

Meeting Minutes

Thursday, April 11, 2024

6:00 PM

Joint Meeting with the School Committee

NOTICE: This is NOT the official version of the City Council's minutes. While reasonable efforts have been made to assure the accuracy of the data provided, do not rely on this information without first checking with the City Clerk.

1. OPENING CEREMONIES

The meeting was called to order at 6:16 PM by Ward Three City Councilor Ben Ewen-Campen.

- 1.1. Roll Call Call of the Roll.
(ID # [24-0498](#))

RESULT:	<u>PLACED ON FILE</u>
Present:	Ward One City Councilor Matthew McLaughlin Ward Six City Councilor Lance L. Davis City Councilor At Large Jake Wilson Ward Five City Councilor Naima Sait City Councilor At Large Wilfred N. Mbah City Councilor At Large Willie Burnley Jr. Ward Four City Councilor Jesse Clingan City Councilor At Large Kristen Strezo Ward Three City Councilor Ben Ewen-Campen
Absent:	Ward Two City Councilor Jefferson Thomas (J.T.) Scott Ward Seven City Councilor Judy Pineda Neufeld

2. RECESS FOR THE OPENING OF THE SCHOOL COMMITTEE MEETING
3. PUBLIC HEARINGS
4. ORDERS, ORDINANCES, RESOLUTIONS AND MOTIONS OF MEMBERS
5. UNFINISHED BUSINESS
6. REPORTS OF COMMITTEES
7. COMMUNICATIONS OF THE MAYOR
8. COMMUNICATIONS OF CITY OFFICERS

8.1. Officer's
Communication
(ID # [24-0494](#))

Finance Director, pursuant to Ordinance 2-47, reviewing the financial condition of the City, with revenue and expenditure forecasts, prior to the commencement of the FY 2025 budget process.

Finance Director Ed Bean spoke about historical trends and said that the city has seen tremendous growth since 2014 and that the city's general fund budget has grown 72%. School District Chief Financial Officer Fran Gorski noted that the School Departments budget has also increased with 30% of the city's total FY 2024 budget being allocated to the School Department.

Director Bean reviewed percentage changes over the past 5 years and noted that payroll has increased 37% during that time. Mr. Bean told the Council that fixed costs, i.e., salaries, health insurance, pensions, and debt service drive the budget and comprise 73% of the total budget. He explained that when revenue declines there is less discretionary money available. The city's revenue is derived from multiple sources, with property taxes supplying the largest share at 72%. State aid provides 15.7%, local receipts account for 9% and excise taxes provide 3.3%.

Director Bean stated that the FY 2024 revenue is doing well and the city should run a surplus and he advised the Council that additional appropriations will be needed for FY 2024. New growth has increased each year since FY 2020, when it was at \$8.3 million. That figure stands at \$17.7 million for FY 2024, however, new growth for FY 2025 is expected to drop by \$5.7 million, in part due to the number of vacancies in lab/office spaces.

Director Bean explained how the city projects tax revenue and said that the city will tax to the Proposition 2.5% limit. Although FY 2025 state local aid is up, when combined with all other aid, the total package is \$53.8 million, (down \$41,169). CFO Gorski told the Council that Chapter 70 School Aid has increased by \$154,380 but the Circuit Breaker Reimbursement (SPED) is down \$60,206. Director Bean noted that revenue is up by \$27 million, and the FY 2025 projected revenue is \$356 million (up \$15.6 million). Building permit revenue is projected to drop \$3 million. Interest rates will drop so investment income will be less.

The city will need to look at compensation for union positions and will have to increase salary contingencies for FY 2025. Other cost drivers include the TAB lease, the Assembly Square Fire Station lease, and hiring firefighters to staff that station. Solutions and opportunities include the use of ARPA funds, lobbying Beacon Hill for more Chapter 70 aid, and the passage of the Municipal Empowerment Act would allow meals and hotel/motel taxes to be increased and would allow the city to impose a 5% surcharge in additional excise taxes.

RESULT: **PLACED ON FILE**

AYE: Ward One City Councilor McLaughlin, Ward Six City Councilor Davis, City Councilor At Large Wilson, Ward Five City Councilor Sait, City Councilor At Large Mbah, City Councilor At Large Burnley Jr., Ward Four City Councilor Clingan, City Councilor At Large Strezo, and Ward Three City Councilor Ewen-Campen

ABSENT: Ward Two City Councilor Scott, and Ward Seven City Councilor Pineda Neufeld

9. NEW BUSINESS

10. SUPPLEMENTAL ITEMS

11. RECESS FOR THE ADJOURNMENT OF THE SCHOOL COMMITTEE MEETING

12. ADJOURNMENT

The meeting was Adjourned at 7:04 PM on a roll call vote of 9 in favor (McLaughlin, Davis, Wilson, Sait, Mbah, Burnley, Clingan, Strezo, Ewen-Campen), 0 opposed, and 2 absent (Scott, Pineda Neufeld).