



May 9, 2022

## **CITY COUNCIL AND MAYOR FY 2024 BUDGET RETREAT - MINUTES**

In attendance:

Acting Mayor Robert McCarthy, CFO Anna Freedman, Chief of Staff Chris Sicuranza, Councillor Meg Stott, Councillor Patti Morsillo, Councillor Ty Hapworth, Councillor Lev McClain, Councillor Domingo Dominguez, Councillor Caroline Watson-Felt, Councillor Andrew Varela, Councillor Alice Merkl, Councillor Conrad Prosniewski, Former Mayor Neil Harrington, Former Chief of Staff Dominick Pangallo

1. Welcome by Acting Mayor McCarthy; CFO Anna Freedman
  - Overview of day, agenda, logistics
2. Budget Process and Timeline
  - Anna agenda review
  - FY2023 Finance review, 2024 budget development, ARPA, Chapter 70
  - Principles - budget must balance (rev/exp)
  - Inflation, Capital Needs, COVID-19, Fixed Costs Increase, Limited School Aid (Contracts like AFSCME, Police Superior) (CARES is gone, ARPA limited budget should another emergency health situation [or related] emerge)
  - Mayor McCarthy - resources available still for ARPA on special projects (included language for shovel ready projects, esp. ones coming to fruition sooner than later - related to hard costs, not soft costs i.e., buying furniture for needs today or by certain dates) Clawback threatened by Congress
  - Changes of Administration on the state level causes issues, GIC still lingering on final adjustments for health costs.
  - Council Cohen - ARPA funding, having funding that results in savings / revenue, health housing and other stabilization, energy costs are considerable and will continue to trend up, converting to buying energy to new energy (ground source heat pumps, explore turbines in the water pipes, reduce our liability as a financial standpoint - just in the schools, the amount of money heating and cooling schools, solar panels at schools helped save hundreds of thousands of dollars, receiving a million dollars based on incentives at the time, encourage us to stop buying energy and producing our own which is also environmentally friendly) PPA at Collins and Saltonstall, but we should have purchased not renting and we would be owning 100% of the energy.
  - Anna - monitoring the collections of registry (car) taxes as they are typically an indicator of potential recession.
  - Cannabis, equity, policies, Han Solo approach
  - Councillor Cohen - House wrapped up their budget this week, Senate W+M two weeks from now (message to Sen. Lovely - Isolate an earmark,

- Councillor Watson-Felt - seems charter is a burden on the budget; let's see data around high school numbers, minimum aid, enrollment.
  - Councillor Merkl - Chapter 70, is the formula positive
  - Councillor Cohen - decrease enrollment formula question on design.
  - Councillor Patti - how long is the average stay from October for students from state? Unknown
  - Councillor Cohen - funding in vacancies
  - Trash fees follow-up with vendor
3. FY2024 Estimated Revenues
- Energy audit - public buildings only - water usage especially as it relates to residential rates; measuring against the abutting communities, look-back on trends but shifts are trending and unlikely to have per household measuring - we have 4 lines that come over from Beverly that are under the ocean / bridge; we do have the abilities via the new digital meters which can help
4. FY2024 Estimated Expenses
- Consideration of RFP being posted earlier than the year ahead mark;
  - (Councillor Varela) diverting food waste - trash isn't going anyway, rates will be going up, how do we identify land for potential support?
  - Councillor Cohen - two previous vendors had offered potential support, meeting with Dave Knowlton that are creative that are designed to diminishing the costs while potentially gaining revenue
  - Mayor McCarthy - recycle costs are out offset and diminished due to the lower price points; contamination - broader understanding of costs so as to support education for the public
  - Councillor McClain - debt service positioning, when we make the borrow - close to half of whatever we would budget via bonding should now come from free cash (unauthorized issue debt); we wouldn't go out and borrow unless spent funds were issued; short term note that we permanently finance in November (that starts in June); we don't want to bring anything to CC that we are more certain that we can actually activate; finish up CIP projects that are shovel ready or in the middle of the phase so as to ensure we can get most value back. Running debt services / affordability scenarios help contemplate on new projects but doesn't contemplate when the debt comes on or off.
  - \$1.5 million roads / sidewalks / DPS projects - where are the planned improvements.
  - Councillor McClain and Councillor Watson Felt - snow paths for kids walking to schools; several areas
  - Councilor collaboration around street / sidewalks - feedback
  - Water based paint - DPS painting from last year
  - Communication on finished results, especially with the third-party vendors
  - Councillor Merkl - Signature parks funding - rates fluctuation
  - OPEB evaluation? What percentage do we operate with?
  - Councillor Cohen - ARPA dollars on sustainability, ongoing savings, \$4 million would generate 200% savings / revenue back to the city.
  - Councillor Watson-Felt - better outreach, quotable access to ARPA funds
  - Recommendations for affordable housing board
5. Adjourn – Motion made by Councillor Meg Stott; Seconded by Councillor Patti Morsillo.

*Minutes Drafted by Chief of Staff, Chris Sicuranza*