

The Committee on Ways and Means met on Thursday, January 12, 2023 at 6:00pm in the City Council Chambers at City Hall.

The meeting was recorded by ECTV and can be viewed on the City of Everett website.

Members present were Councilor Stephanie Martins, presiding; Councilors Vivian Nguyen and Stephanie Smith. Member absent was Councilor Richard Dell Isola.

The Committee met on a Resolution offered by Councilors Stephanie Smith and Darren Costa: That the City Council reviews the quarter one financials.

Chief Financial Officer Eric Demas and Councilor Darren Costa, the Sponsor were also present.

Mr. Demas provided the Committee with written lists of open positions, appropriation Orders approved by the City Council, debt and interest payments as well as debt retired and issued. He noted that the City was working on forecasting Free Cash, trying to fill vacancies in addition to having the audit being finalized. He informed Councilor Smith that many of her questions on the attached list of written questions she had for the first quarter financial review referencing unencumbered line items were actually contract purchase orders. Mr. Demas's response to Councilor Smith's written questions are shown on the attachment in RED as a brief to the point reply. Chairperson Martins asked if the Affordable Housing Coordinator position was in the budget and Mr. Demas confirmed it was in the Planning Department budget. Councilor Costa and Mr. Demas discussed the Accounting system related to the tracking of encumbrances. Councilor Costa asked if Mr. Demas could forecast the need for additional appropriation for litigation and Mr. Demas responded that he just didn't know. Councilor Costa referenced expenditures made out of the \$18 million in free cash and questioned if there were any other potential uses for the remaining balances and Mr. Demas informed the Committee that the City would be negotiating with Unions and that there may be a need to address the Fire Department overtime account. Councilor Costa referenced the Power Plant coming off the tax rolls in the near future and asked Mr. Demas if he was aware of any other large property that could be coming off the tax rolls and Mr. Demas suggested he talk to the City Assessor. Councilor Costa also asked about the ARPA expenditures how the City was trending to spend these funds and Mr. Demas agreed to provide the Committee with the information. Mr. Demas and Councilor Costa discussed the debt limit and Mr. Demas noted that the City had a very favorable AA+ bond rating because the City has been very aggressive in paying off debt over a ten year period. Mr. Demas and Councilor Costa also discussed some of the functions of the OPENGOV software the City was using. Councilor Smith asked if the City conducts budget reviews with the various departments and Mr. Demas stated that they occur monthly after the first quarter of fiscal year.

The Committee voted: to report back to the City Council with a recommendation to place on File.

Respectfully Submitted,

John W. Burley
Clerk of Committees

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COUNCILOR SMITH'S WRITTEN LIST OF QUESTIONS

There is over \$12MM in Carry-over encumbrances that have not been expended or encumbered ... why? --- \$11 million of encumbrance is for schools – majority teach pay – already paid out

About \$16MM to-date of debt over what was outstanding as of June 2021!! --- debt gets added and paid off

111 – City Council

Cushion to cut reimbursement, personal services & formal events for FW24
Office supplies running high ... is there where the City clothing is expensed out of? ----
Councilor Smith agree to monitor

121 – Mayor

Is the salary run-rate running about \$68K lower because of the Communications Director vacancy? --- yes When do we expect that to be filled? --- currently interviewing candidates

Already spent almost 40% of advertising budget. On track to spend about \$150K when budgeted for \$93K - - Yes What is this advertising for? Legal notices? - - more postings - - will make adjustments from other accounts

Other expenses - What is this for? - - matching requirements such as gaming grants Can we use this for additional fees for US attorney if needed instead of out of free cash? No – Councilor Order must be done

Official celebrations is running low. Revisit after Q2 (Halloween/Christmas) - - Councilor Smith agreed to keep an eye on this

122 DEPARTMENT OF DIVERSITY, EQUITY & INCLUSION

Is the Youth Council new for FY23? If not, where were the stipends coming from before as it was unbudgeted? - - HR budget

Data Management system on track to exceed this by \$110K. What is it? Do we have a contract? Who is it with? Yes - - will not over spend

What advertising comes out of this department? - - media outlets to diverse population – example – Fire exam

Outreach & engagement - On track to exceed line item by \$40K. What have we done so far and what is planned for future? Various initiatives - - will stay within budget

Events – what events are planned out of here vs. Mayors account. Are there any big events we will be doing or should we expect same run rate spend as 1Q? Cultural awareness events

Is the salary run-rate so low even with the DEI officer opening? Are we expecting to fill this? It has been open for almost 5 months now. Do we actually need this position? - - Yes - - position is expected to be filled

129 311/CONSTITUENT SERVICES

Is the Constituent Aid opening a PT or FT position? Salaries here are running extremely low even with the vacancy. On track to return almost 200K of budgeted salary. Why is that? Are we still using CARES/ARPA funds for these positions? - - Full time - - CARES is being used to fund position if not available then ARPA funds will be used

135 OFFICE OF THE CITY AUDITOR

Salaries are projected to be over the budgeted amount. Why? Salaries will be within budgeted amount

What month does the audit happen in? - - prep work begins in Spring with audit commencing around late August

Already spent 60% of the FINANCIAL SOFTWARE & EQUIP budget. Are we expecting that rate to continue or should that taper off? - - rate will taper off - - no additional funds will be needed

138 OFFICE OF PURCHASING & PROCUREMENT

My expectation is that the department will return about 2-3 months of salary due to vacancy. - yes - - hiring process ongoing

141 DEPARTMENT OF FINANCIAL SERVICES / OFFICE OF ASSESSING

What is the professional services for and when do we expect the majority of the spend to happen since minimal has been spent to date - - Appraisals and legal fees for ATB cases

145 DEPARTMENT OF FINANCIAL SERVICES / OFFICES OF CITY TREASURER - COLLECTOR

If the open position is a principal clerk why is the department running more than double this in the run-rate for unexpended funds? - - new position - - management - filled to perform duties previously done by outside sources

What makes up the other charges? Credit card processing fees

Parking Meter Repairs & Maintenance is running very high - what has been done here? Councilor Smith agreed to keep an eye on this

151 OFFICE OF THE CITY SOLICITOR

Is Keith getting paid out of the City Solicitor budget or the ISD budget? City Solicitor budget

On track to overspend ISD Litigation fees. Why is this not in ISD budget? More prudent to be in City Solicitor budget

Office Supplies - On track to overspend. What are we spending so much on? Already at 90% of budget - Contractual

LITIGATION/PROF SERVICES - What is this for? We are way overspending. Does this include some invoices from the US Attorney inquiry in encumbered? How much is related to other inquiries? Contractual - KP Law

Is there an open City Solicitor position now that Matt is the planning director? No - - one employee on medical leave

152 DEPARTMENT OF HUMAN RESOURCES

How are we functioning in HR with all the vacant positions? **Team effort – have candidate in mind**

SUMMER JOBS / YEAR ROUND PROGRAM – way over-spent that line-item already. How much more are we expecting to come out of here? Also, weren't the summer internships expended out of the ARPA account (23-510-1561-5001). Additionally, For the ARPA spend – I see Ashley Fitzgerald is getting paid out of this account, I thought that she was being covered under a grant that Mike DiPietro secured specifically for the rec? **funded through grants and if not will be covered by ARPA funds - - will not be overspent**

Can you provide a line item detail for employee buyback account? **Provided to Councilor**

155 DIVISION OF IT

How do you review this budget? Every year there is rarely anything spent and it always come through as encumbered so we never see the line item costs. Need to find a way to review. Thoughts? **Dept head never overspends - - plans end of year big project expenditures**

\$ 1,066,557.73 came as carry over encumbrances from FY22 yet the budget was only \$1.015MM?? **VOIP project contract**

What was the 71K in Technology Infra that was carried over but not in encumbrances line from 2022? **Specific capital items automatically carried over**

161 OFFICE OF THE CITY CLERK

The voting equipment was not in budget. Why is this in the City Clerk's accounts and not the Elections Department? **Was in City Clerk account in prior year**

All election workers. Only \$75 but shouldn't it be in the Elections Department vs. City Clerk? **Held over from previous election**

Did the RAO stipend go up? **No** On track to spend \$9.6K vs the \$7.2K budgeted

WEB BASED PROGRAMS – are we expecting much more spend here? On track to almost double this appropriation if so **new city council program - - not expected to double**

162 – Elections

When are we doing the City Census? **January**

Will revisit this one more after Q2 results.

242 – ISD

Still running low on salaries even with 3 open positions (not including 3 open positions run rate is still \$100K under what was budgeted) **some funds paid through programs**

Electricity – Street lights: is the invoice that was in dispute during the May budget sessions still open or was it settled? **Settled** What was the final expense for this line item in FY22? It is still running really low compared to budget **rates increasing**

Software - Are we expecting much more spend here? Overrunning it as already spent over 60% of budget **on track**

Wire expenses - Are we expecting much more spend here? Overrunning it as already spent over 40% of budget **Contractual**

490 DPW EXEC

What is the ADA accessibility carry-over of \$50K for? **Compliance issues such as sidewalk ramps etc...**

SEASONAL EMPLOYEES – What seasonal employees? How much more are we expecting here? Already spent almost 60% of budget in 1Q **90 day summer and winter additional help**

LONGEVITY – already over budget. Please provide line item detail for this account **looking into it with HR**

GASOLINE/DIESEL/OIL – run-rate is high and coming in over \$1MM over budgeted. Already spent 75% of budget in 1Q **Contractual**

POLICE - REPAIR MAINTENANCE – how much more work is expected? Already spent 50% of budget in 1Q **work being done in house**

DPW - REPAIR MAINTENANCE - how much more work is expected? Already spent 50% of budget in 1Q **work being done in house**

TIRE & TIRE SUPPLIES – Will you require additional appropriation? Already spent 50% of budget in 1Q **Contractual**

Using a run rate, on track to almost double budget

491 DPW FACILITIES MAINT

No open positions yet run-rate is over \$250K under budget. Where are these positions being funded from if not open? **3 employees on workers compensation**

Was all longevity, clothing allowance, and tool allowance already paid out? **Yes**

What is the total contract amount for HVAC SERVICE CONTRACT/REPAIRS? Or is it a mix of contracts? **Do have a contract but it is also includes other uses**

What is the total contract amount for ELEVATOR SERVICE CONTRACT? **Contract and parts**

What is the total contract amount for CLEANING SERVICE CONTRACT?

CUSTODIAL SUPPLIES – Why so high? We will more triple our budget at this rate **Contractual but also includes Fire Department**

492 DPW ENGINEERING

Why is run rate coming in at over \$100K under the budget amount and there are no unfunded positions? Where are the positions getting paid out of if not here? **Funded late in year**

Is all longevity paid out? **yes**

When is this occurring? Nothing spent to date CENETER LINE XWALK MARK?
Spring/summer

When is the ANNUAL ENVIRONMENTAL REPORTING occurring? **Spring**

What are the professional services expenses to date for? **Contract – inspections**

What was the Encore Boston Harbor Carryforward for? \$42K - **Spring Street tidegate**

493 DPW PARKS & CEMETARY

Why is run rate coming in at almost \$400K under the budget amount and there are no unfunded positions? Where are the positions getting paid out of if not here? **Three employees out of work**

Why is landscaping running so low? Is it a contract? **Yes** What is the contract total price?

REPAIR & MAINT - We have already spent 80% and are on track for double the allocated spend
Contractual

TREE SEED & SOD SUPPLIES - We have already spent 80% and are on track for double the allocated spend **Contractual**

494 DPW STADIUM DIVISON

REPAIR & MAINT - Already spent almost 90% On track to triple allocated spend **no additional funds will be needed**

493 DPW HIGHWAY

Why are salaries running at \$200K under allocation excluding the open position? **Two employees not replaced yet**

Was all longevity and clothing allowances paid out for year? **On track**

CONTRACTED SERVICES – On what? Run-rate almost doubling allocated spend **specialized engineering services**

EQUIPMENT HIRE – Already overspent for the year **rental for equipment needed – no additional funding**

497 SOLID WASTE DIVISION

How is refuse and solid waste already encumbered? Have we already received all invoices for the year? **Yes**

510 HEALTH & HUMAN SERVICE

Salaries running way under run-rate **will look into**

521 - DEPT OF PLANNING & DEVELOPMENT

Salaries are running low even with open position – why? Was Matt paid out of here or the City Solicitor budget? **Planning Dept** Are we still getting CBDG funds? **yes**

We have had funds in carry-forward budget for the design plan for old HS ... where are we with that? **Waiting on direction**

Where are we with the master plan? We have unencumbered balance of almost the entire \$60K+ carry-forward budget **expect a master plan this month**

Where are we with Webster Tot Lot? We have over 80% unencumbered of the carry-forward balance **Spring**

We have spent 0 on the carry-forward for Glendale Park Play equipment. Why? **Waiting on grant**

Why do we have all these open projects still? Why have they not been started? Almost \$100K of carryforward not used.

How can you have a carry-forward encumbrance that was higher than your total budget last year?

522 - TRANSPORTATION Total

What was the professional services spent on? **Contractual - - listed various expeditures**

HOW CAN YOU EMCUMBUR when there was no department? Did you re-class? **No**

630 OFFICE OF HEALTH AND WELLNESS

WE ARE GOING ON ALMOST 3 YEARS WITH NO DIRECTOR!!!!!!! **Expect to hire soon**

Why wasn't any of the WELLNESS PROGRAM EXPENSES spent? We haven't paid the contract or done any programs? **Half of contract plus additional programs**

When are the rec renovations happening? What are they doing there? **Need to rec director to discuss**

Do we think we will get to a state where the Rec Revolving Acct pays for the entire budget? Why not if so? Shouldn't we try to increase memberships and programs to get it covered? **Need rec director to discuss**

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Members present were Councilor Stephanie Martins, presiding; Councilors Vivian Nguyen and Stephanie Smith. Member absent was Councilor Richard Dell Isola.

The Committee met on an Order offered by Councilor John Hanlon, as President: An Order requesting that \$774,495 in unexpended School Capital Improvement Funds be re-purposed by transferring them to pay costs associated with the School Phones, Clock and Paging System project.

Chief Financial Officer Eric Demas was also present.

The Committee was in receipt of a communication from Superintendent of Schools Priya Tahiliani explaining that there were leftover funds in capital accounts from various past projects for the Schools and that the School Department was looking to repurpose those unused funds for a current project to replace the outdated phone, clock and paging system. She noted that the total project cost would be \$1.5 million and that they would be funding the rest from the School reserves. She provided the Committee with a powerpoint presentation that outlined the scope of the project. Superintendent Tahiliani state in summary, this new system will enhance our communication capabilities throughout the district, providing staff with the technology to communicate not only with staff within the building, but also with parents through the use of the new Zoom capable phones. There will also be LED scrolling message boards installed in order to enhance our ability to be able to broadcast messages in real time. I would sincerely hope that essential projects, especially those that include federally mandated safety requirements, be funded.

The Committee voted: to report back to the City Council with a recommendation for Favorable action.

Respectfully Submitted,

John W. Burley
Clerk of Committees