



FINANCE COMMITTEE

COMMITTEE MEETING

~ MINUTES ~

Tuesday, March 19, 2024

3:00 PM

Sullivan Chamber
795 Massachusetts Avenue
Cambridge, MA 02139

The Finance Committee will hold a public meeting to review and discuss the FY25 Capital Budget and to continue the December 12, 2023 City Council discussion on Public Investment Planning and to discuss City Council budget priorities and goals.

Attendee Name	Present	Absent	Late	Arrived
Burhan Azeem	<input type="checkbox"/> Remote	<input type="checkbox"/>	<input type="checkbox"/>	
Marc C. McGovern	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Patricia Nolan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Joan Pickett	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sumbul Siddiqui	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Jivan Sobrinho-Wheeler	<input type="checkbox"/> Remote	<input type="checkbox"/>	<input type="checkbox"/>	
Paul F. Toner	<input type="checkbox"/> Remote	<input type="checkbox"/>	<input type="checkbox"/>	
Ayesha M. Wilson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
E. Denise Simmons	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	3:18 PM

A public meeting of the Cambridge City Council’s Finance Committee was held on Tuesday, March 19, 2024. The meeting was Called to Order at 3:00 p.m. by the Co-Chair, Councillor Pickett. Pursuant to Chapter 20 of the Acts of 2022 adopted by Massachusetts General Assembly and approved by the Governor, this public meeting was hybrid, allowing participation in person, in the Sullivan Chamber, 2nd Floor, City Hall, 795 Massachusetts Avenue, Cambridge, MA and by remote participation via Zoom.

At the request of Co-Chair Pickett, Deputy City Clerk Crane called the roll.

- Councillor Azeem – Present/Remote
- Vice Mayor McGovern – Present/In Sullivan Chamber
- Councillor Nolan – Present/In Sullivan Chamber
- Councillor Pickett – Present/In Sullivan Chamber
- Councillor Siddiqui – Present/In Sullivan Chamber
- Councillor Sobrinho-Wheeler - Present/Remote
- Councillor Toner – Present/Remote
- Councillor Wilson – Present/In Sullivan Chamber
- Mayor Simmons – Absent*

Present – 8, Absent – 1. Quorum established.

*Mayor Simmons was marked present and remote at 3:18p.m.

Co-Chair Pickett offered opening remarks and shared that the Call of the meeting was to review and discuss the FY25 Capital Budget and to continue the December 12, 2023 City Council discussion on public investment planning and to discuss City Council budget priorities and goals. Present at the meeting was the City Manager, Yi-An Huang, Deputy City Manager, Owen O’Riordan, Assistant City Manager for Finance, Claire Spinner, Budget Director, Taha Jennings,

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and Assistant Finance Director, Michele Kincaid. Deputy City Manager O’Riordan noted that some members from the public investment team were also in attendance.

Co-Chair Pickett recognized Deputy City Manager O’Riordan who gave a presentation titled “City of Cambridge Public Investments/Capital Spending”. The presentation was provided in advance of the meeting and included in the Agenda Packet. The presentation offered an executive summary and noted how capital spending and public investment reflects the city’s priorities and is shaped by many inputs. The presentation included information on how the capital budget is primarily funded through bond issuances, a review of operating revenue and operating expenditures, debt policies, operating budget and tax levy growth, public investment programs that are associated with federal, state, and local commitments, and future public investment projects. During the presentation, Co-Chair Pickett recognized Committee members for clarifying questions, which staff were able to respond to.

Co-Chair Pickett made a motion to close public comment.

Deputy City Clerk Crane called the roll.

Councillor Azeem – Yes

Vice Mayor McGovern – Yes

Councillor Nolan – No

Councillor Pickett – Yes

Councillor Siddiqui – Yes

Councillor Sobrinho-Wheeler – Yes

Councillor Toner – Yes

Councillor Wilson – Absent

Mayor Simmons – Yes

Yes – 7, No -1, Absent – 1. Motion passed.

Co-Chair Pickett recognized Co-Chair Nolan who thanked the team for their presentation and offered suggestions on how there could be more information for transparency at future meetings, and pointed out that it would be helpful if more numbers were included in the presentation.

Co-Chair Pickett recognized Councillor Sobrinho-Wheeler who asked where the debt policy originates from. Taha Jennings responded and noted that the policy is built on industry standards and benchmarks from rating agencies based on what has been successful in similar municipalities. Councillor Sobrinho-Wheeler asked for clarification on how debt service obligations are broken down between existing projects. Claire Spinner responded and shared that each project has its own bond issue that is related to it. Councillor Sobrinho-Wheeler echoed comments made by Committee members as it relates to providing more numbers and dollar amounts to some of the future expenses to have a better understanding going forward.

Co-Chair Pickett recognized Councillor Wilson who shared that she appreciated the conversation. Councillor Wilson asked for more information on the \$90 million bond loan authorization that is being requested and why the City needs such a large amount of funding. In addition, Councillor Wilson asked if funding for specific projects can come out of Free Cash. Taha Jennings pointed out that when the City is looking at a bond project, it is important to look at the lifespan on that project and spreading the cost out over that time. Taha Jennings, Claire Spinner, and the City Manager shared more information on how Free Cash is used, noting that it is intended for one-time types of items, and offered examples of what Free Cash is used towards. Councillor Wilson asked for more information on the projects listed in the FY24-FY28 bond schedule (packet page 13), and asked if the City anticipates that number increasing, or possibly

decreasing, with the current inflation trends. Deputy City Manager O’Riordan responded by sharing that they try and incorporate inflation into the numbers and that inflation has become much more evident in construction related projects post Covid.

Co-Chair Pickett recognized Vice Mayor McGovern who offered suggestions on ways the City can use some of the funds in the budget and reevaluating how much funding is put towards specific projects. The Vice Mayor asked if there were options at the state and federal level to use for funding in place of or in addition to ARPA funding. The City Manager responded by sharing that he agreed with some of the comments made by the Vice Mayor and provided suggestions and feedback to them. The City Manager highlighted the importance of discussing the City Council goals and the initiatives that are being prioritized and explained what the process could look like moving forward and being able to add a number to some of the capital projects. Vice Mayor McGovern stressed that it should be a priority for the City to go out into the community to be transparent about the budget and future projects.

Co-Chair Pickett recognized Councillor Sobrinho-Wheeler who shared they agreed with comments made by the Vice Mayor and offered suggestions on potential funding opportunities through the federal government.

Co-Chair Pickett recognized Councillor Siddiqui who offered comments relative to federal funding and appropriations that come through from the Senator’s Office and provided suggestions on ways to make it more transparent regarding the appropriations. Councillor Siddiqui had clarifying questions on packet page 13 relative to “other projects”. Deputy City Manager O’Riordan responded and shared what the current challenges are and provided suggestions on ways to prioritize some of the projects listed in the “other projects” category. The Deputy City Manager noted that it is important to stay flexible while trying to reduce numbers and addressing priorities.

Co-Chair Pickett recognized Co-Chair Nolan who offered comments that agreed and echoed what was shared by Councillor Sobrinho-Wheeler and Councillor Siddiqui relative to federal funding. In addition, Co-Chair Nolan also agreed with comments made by the Vice Mayor regarding being mindful and thoughtful towards the amount of money that is being put towards each potential project. Councillor Nolan asked for clarification on current policies and the ratios that are set and how they play a role in the funding of projects. Taha Jennings responded and noted that the policies are based on best practices and what has worked. Taha Jennings shared that by having these policies in place, it allows for fiscal stability and flexibility. Claire Spinner and City Manager Huang provided additional comments that were in support of having policies in place and shared reasoning behind why they are beneficial for the city and the community. Co-Chair Nolan offered additional comments and highlighted the importance of making sure decisions are made based on what is best for the community.

Co-Chair Pickett recognized Councillor Azeem who shared that it is always a challenging conversation to have when discussing the budget and it could be beneficial to look at places within the budget to see where it can grow to provide more options for residents.

Co-Chair Pickett offered closing remarks and comments, noting that what she is taking away is that there is opportunity to create more room in the capital budget. Co-Chair Pickett shared that any additional information that the city can provide to the Councillors regarding existing projects would be helpful going forward. Co-Chair Pickett echoed comments made by the Vice Mayor regarding getting out to the community to share as much information as possible and looking at the budget process for both the capital and operating budgets. Co-Chair Pickett thanked everyone

for their time and shared that she looks forward to continuing the conversation to see how all the pieces fit together and believes that everyone is off to a good start.

Co-Chair Pickett recognized Councillor Wilson who made a motion to adjourn the meeting.

Deputy City Clerk Crane called the roll.

Councillor Azeem – Yes

Vice Mayor McGovern – Absent

Councillor Nolan – Yes

Councillor Pickett – Yes

Councillor Siddiqui – Yes

Councillor Sobrinho-Wheeler – Yes

Councillor Toner – Yes

Councillor Wilson – Yes

Mayor Simmons – Absent

Yes – 7, No – 0, Absent – 2. The meeting was adjourned at approximately 4:20p.m.

Clerk's Note: The City of Cambridge/22 City View records every City Council meeting and every City Council Committee meeting. This is a permanent record. The video for this meeting can be viewed at:

https://cambridgema.granicus.com/player/clip/683?view_id=1&redirect=true

A communication was received from Matt Nelson, Director of Administration and Operations, transmitting a presentation relative to Public Investments and Capital Spending.