



FINANCE COMMITTEE

COMMITTEE MEETING

~ MINUTES ~

Wednesday, November 20, 2024

1:00 PM

Sullivan Chamber
795 Massachusetts Avenue
Cambridge, MA 02139

The Finance Committee will hold a public hearing on Wednesday, November 20, 2024 to review and discuss the Operating Budget in advance of the FY26 budget season.

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"/>	
Sumbul Siddiqui	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Jivan Sobrinho-Wheeler	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Paul F. Toner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Ayesha M. Wilson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Catherine Zusy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
E. Denise Simmons	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

A public meeting of the Cambridge City Council’s Finance Committee was held on Wednesday, November 20, 2024. The meeting was Called to Order at 1:00 p.m. by the Co-Chair, Councillor Nolan. 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 the Chair, 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 Siddiqui – Present/In Sullivan Chamber
- Councillor Sobrinho-Wheeler – Present/In Sullivan Chamber
- Councillor Toner – Present/In Sullivan Chamber
- Councillor Wilson – Present/In Sullivan Chamber
- Councillor Zusy – Present/In Sullivan Chamber
- Mayor Simmons – Absent

Present – 8, Absent – 1. Quorum established.

The Co-Chair, Councillor Nolan offered opening remarks and noted that the Call of the meeting was to hold a public hearing to review and discuss the Operating Budget in advance of the FY26 budget season. Present at the meeting was City Manager, Yi-An Huang, Deputy City Manager, Owen O’Riordan, Assistant City Manager of Finance, Claire Spinner, and Budget Director, Taha Jennings.

Co-Chair Nolan recognized City Manager Huang who offered opening remarks, thanked the finance and budget team for their hard work behind the scenes, and shared that he looks forward to this conversation and future discussions ahead of the FY26 budget season.

Co-Chair Nolan recognized Claire Spinner who gave a presentation titled “Operating Budget Planning”. The presentation was provided in advance of the meeting and included in the Agenda Packet. Claire Spinner pointed out that one additional slide should have been added to the presentation and provided copies to the Committee (Attachment A). The presentation provided an overview of the citywide financial management, departmental

budget management, strategic initiative planning, and debt stabilization. Claire Spinner and Taha Jennings responded to clarifying questions during the presentation.

Co-Chair Nolan recognized Councillor Zusy who had clarifying questions on free cash, ARPA funding, and pension funding. Claire Spinner shared that there will be around \$160 million left in free cash after the \$40 million appropriation. City Manager Huang pointed out that with the new administration coming into Office, it is uncertain right now what the plan is for ARPA, but pointed out that it is a popular program that benefits states and local government across the country. Claire Spinner provided a background on the City pension program and explained how the payment schedule is overseen by the Public Employee Retirement Administration Commission and why changes will be made to the employee pension program, which will be more sustainable for the City.

Co-Chair Nolan recognized Councillor Sobrinho-Wheeler who had a question on the debt stabilization fund and questioned if the \$18 million increase was because of debt service costs or projected less revenue, or both. Taha Jennings explained that it is mostly because of debt service costs and other impacts related to overall non property taxes revenue sources. Councillor Sobrinho-Wheeler shared his appreciation for the slide that recognized City Council priorities with budget figures. Councillor Sobrinho-Wheeler shared an interest in understanding where funding could be decreased or increased when talking about Council priorities.

Co-Chair Nolan recognized Councillor Siddiqui who pointed out it would be beneficial to receive an update on the Harvard Pilot and commented on the option of using other sources of funding to help with Council priorities. Councillor Siddiqui noted the importance of having strategic priorities while discussing the budget. City Manager Huang responded by noting that there is currently no update on the Harvard Pilot, but he will provide information as the process moves along. In addition, the City Manager agreed that it could be beneficial to look at other funding sources that are available to the City, but believes that would be a broader conversation. City Manager Huang highlighted the importance of being transparent with residents and the Council while the budget and funding sources interact with each other.

Co-Chair Nolan shared concerns about the information in slide 18 of the presentation. Co-Chair Nolan offered comments on Council priorities and stressed the importance of efficiency within departments, especially those who have hired additional staffing. Co-Chair Nolan offered suggestions regarding AI technology to assist with the City working smarter. Co-Chair Nolan offered comments on the importance of cash reserves to assist the City with unexpected challenges that may arise. Claire Spinner responded by providing an overview of how free cash is a contingency reserve and explained how it plays a positive and beneficial role within the budget. Claire Spinner added how free cash allows the City to have financial stability and flexibility. City Manager Huang was recognized and agreed that slide 18 could be confusing to understand and provided additional information and feedback regarding the data that was presented.

Co-Chair Nolan recognized Co-Chair Toner who shared concerns voiced by residents regarding property tax increase. Co-Chair Toner agreed with comments made by Councillor Sobrinho-Wheeler regarding looking at programs and efficiencies in the current budget relative to Council priorities.

Co-Chair Nolan recognized Councillor Wilson who stressed the importance of being transparent with funding around Council priorities. Councillor Wilson suggested that the consolidated spending data that was shared could be broken down even further to give a better understanding of how each topic is being supported. Councillor Wilson shared how important it is to have a timeline and being intentional with projects that are more urgent. Taha Jennings pointed out that the information shared on the consolidated spending came directly from the FY25 budget book to help the Committee get an understanding of total spending across departments, noting that there is much more detail in the budget book than what was given in the presentation. Councillor Wilson asked the team from the City how they are evaluating the impact of the City investments. City Manager Huang explained how it can be challenging to evaluate and compare different funded programs because each investment has different needs and objectives. City Manager Huang noted the importance of goal setting and programs within the areas of those goals and how they make the most impact to the community.

Co-Chair Nolan recognized Vice Mayor McGovern who shared that he agrees with much of what has already been said by Committee members and noted that the City is not looking to cut programs and scale back, but trying to evaluate how money can best be used to support services. Vice Mayor McGovern noted that the City needs to take into consideration the significant cutbacks that will occur with federal funding when the new administration takes office.

Co-Chair Nolan and Vice Mayor McGovern offered comments and suggestions regarding Council priorities and how the Council and the City can have more productive conversations in the future relative to funding.

Co-Chair Nolan recognized Deputy City Manager O'Riordan who provided a brief overview of what to expect at the December 11, 2024 Finance Committee hearing.

Co-Chair Nolan recognized Vice Mayor McGovern who made a motion to adjourn the meeting.

Deputy City Clerk Crane called the role.

Councillor Azeem – Absent

Vice Mayor McGovern – Yes

Councillor Nolan – Yes

Councillor Siddiqui – Yes

Councillor Sobrinho-Wheeler – Yes

Councillor Toner – Yes

Councillor Wilson – Yes

Councillor Zusy – Yes

Mayor Simmons – Absent

Yes – 7, No – 0, Absent – 2. Motion passed.

The Finance Committee adjourned at approximately 2:32p.m.

Attachment A – Additional presentation slide from the Finance and Budget Departments.

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/905?view_id=1&redirect=true

A communication was received from Matt Nelson, Director of Administration and Operations for the City Manager's Office, transmitting a presentation regarding Operating Budget planning.

We will need a multi-year approach to moderating operating budget growth to ensure that property tax levy increases are sustainable

FY26 Budget

FY27-29 Budget Process*

Property Tax Levy Growth Targets

- **<8% increase**

*Avg. annual property tax levy increase over last 5 years- 7.5%
FY25- 9.2%*



Operating Budget Targets

- **3.5 to 4% increase**

*Avg. annual operating budget increase over last 5 years- 7.2%
FY25- 8.1%*

