

FINANCE COMMITTEE
Minutes of the Meeting
February 16, 2021
Held remotely on ZOOM

1. Chairman LaCava called the meeting to order at 8:30pm.
2. Chairman LaCava requested that a roll call be taken to record the attendance for the meeting. The Clerk called the roll – Committee members Durkee, LaFauci, McMenimen, Vidal and LaCava were present.
3. Councillor McMenimen moved to approve the minutes of the meeting held on February 1, 2021. The motion was adopted on a voice vote and the minutes of the meeting on February 1, 2021 were approved.
4. A request was received from the Mayor to accept several gifts of memorabilia from Karen O'Brien to be displayed in the City Hall Museum Room. Councillor McMenimen moved to accept the donation and that the City Council send a thank you note to the donor. The motion was adopted on a voice vote with no audible objection.
5. A request was received from the Mayor to accept the donation of five pewter ornaments of fire trucks of the Waltham Fire Department from Kathleen McMenimen to be displayed in the City Hall Museum Room. Councillor Vidal moved to accept the donation and that the City Council send a thank you note to the donor. The motion was adopted on a voice vote with no audible objection.
6. A request was received from the Mayor to approve the appropriation of \$25,900 to fund the development of a calibrated water distribution system hydraulic model. The purpose of the model is to provide the City with an evaluation of the water distribution system, including water mains, storage tanks, pumping stations, valves, and other infrastructure items to identify inadequacies and make recommendations for improvements.

FROM:

Water-Retained Earnings	#610-450-3590-3590	\$25,900
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TO:

Water-Distribution System Model	#610-452-5800-6610	\$25,900
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Councillor Vidal moved to hear from the CPW Director, Michael Chiasson. The motion was adopted on a voice vote. Upon questions from Councillor Vidal, Mr. Chiasson gave a detailed explanation of the model and the information it would provide on the water distribution system. Councillor Vidal asked if the City has used a model in the past, to which Mr. Chiasson responded it was done many years ago and it should be done again. Councillor McMenimen asked several follow up questions about the model and its

benefits to the City. Councillor McMenimen moved to approve the appropriation of \$25,900. The motion was adopted on a voice with no audible objection.

7. A request was received from the Mayor to approve the appropriation of \$20,00 to fund the two-year subscription for a software application to assess the water distribution system, including pipe condition, risk of failure and cost.

FROM:

Water-Retained Earnings	#610-450-3590-3590	\$20,000
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TO:

Water-Distribution System Software	#610-450-5800-6572	\$20,000
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Councillor McMenimen moved to hear from the City Engineer, Robert Winn. The motion was adopted on a voice vote. Upon questions from Councillor McMenimen, Mr. Winn gave a detailed explanation of how the software would be used to evaluate the water system, specifically to determine the condition of the pipes for risk of failure and to help with the planning of replacing pipes. Councillors Vidal and LaFauci asked follow up questions about the experience with the software. Councillor McMenimen moved to approve the appropriation of \$20,000. The motion was adopted on a voice vote with no audible objection.

8. The next new agenda item was the Mid-Year Budget Report under Council Rule #66. The City Auditor, Paul Centofanti was present to give an overview and answer questions from the Committee. Mr. Centofanti gave a brief summary of the manner in which the revenue budget on local receipts was established and provided the status of both the revenues and expenditures through the mid-point of FY2021. Mr. Centofanti also stressed the underperformance of the hotel/motel tax receipts and investment income, noting that both would probably not meet the amount budgeted for those items. Mr. Centofanti stated the revenue from building permits was strong, was optimistic it may continue for the remaining months of the fiscal year and as a result offset the shortfall in the hotel/motel tax and investment income. On the expenditure side, Mr. Centofanti identified several accounts that were trending favorably and indicated several accounts that may need additional funds before year end. Councillors Vidal, Durkee, LaFauci, McMenimen, Chairman LaCava and off-committee Councillor O'Brien asked several follow up questions to ascertain the status of specific accounts and raised concerns about the likelihood of meeting the revenue budget. Councillor Vidal moved to request Mr. Centofanti to post the Mid-Year report on the Auditor's webpage of the City website for public viewing. The motion was adopted on a voice vote. Chairman LaCava mentioned the School Department would be appearing at the next meeting to discuss their Mid-Year report and asked that the matter remain on the table. Councillor McMenimen moved to table the matter and the motion was adopted on a voice vote with no audible objection.
9. Councillor LaFauci moved to take the matter of the affordable housing resolution (1/25/2021) submitted by Councillor Stanley from the table. The motion was adopted on a voice vote. Councillor LaFauci moved to hear from Councillor Stanley. The motion was

adopted on a voice vote. Councillor Stanley spoke about the need of affordable housing and his resolution was to provide a new funding source. Councillor Stanley stated one method was to dedicate 5% of annual building permit fees to an affordable housing fund. Councillor Stanley explained that would generate about \$350,000 annually based upon the City's average of building permit fees of \$7 million. Councillor Stanley also stated the enactment of the community impact fee on short-term rental properties with a minimum of 35% dedicated to affordable housing. Councillor Stanley indicated the willingness to delay his suggested program until there was more economic stability from the pandemic. Councillor Durkee asked questions about the amount of revenue that could be generated from the community impact fee, expressed some concern over where the short-term rental market is headed, if CPA funds could be used and the potential impact on the City's budget. Councillor LaFauci asked several follow up questions about the impact of diverting revenues from the general fund and further stated the City has provided other programs and financial resources that have directly or indirectly impacted affordable housing needs. Councillor McMenimen asked several questions of the demographics of the short-term rental market in Waltham, specifically numbers of units, any information or data that is available and the amount of revenue the City could expect to receive. Off-committee Councillor LeBlanc also expressed concern over diverting revenues, but acknowledged the efforts and work of Councillor Stanley to identify a new revenue source for affordable housing. Councillor LaFauci asked if the occupancy tax and the proposed community impact fee would have the effect of taxing individuals twice. Councillor LaFauci also expressed concern of over-utilizing taxes and fees and the potential adverse impact on attracting travel to Waltham. Councillor Durkee moved to table the matter. The motion was adopted on voice vote with no audible objection and the matter of the resolution on affordable housing was tabled.

10. A motion by Councillor Vidal to adjourn was adopted on a voice vote and Chairman LaCava declared the meeting adjourned at 10:35pm.

Paul G. Centofanti – Clerk to the Finance Committee