



Finance Committee Report

City of Newton **In City Council**

Monday, November 25, 2019

Present: Councilors Gentile (Chair), Norton, Cote, Grossman, Rice, Lappin and Noel

Absent: Councilor Ciccone

Also Present: Councilors Crossley, Leary and Krintzman

City staff present: Josh Morse (Commissioner of Public Buildings), Jim McGonagle (Commissioner of Public Works), Maureen Lemieux (Chief Financial Officer), Sue Dzikowski (Comptroller), Alice Ingerson (CPA Program Manager)

Referred to Public Facilities and Finance Committees

#391-19

Authorization to revise White Goods and Bulky Items City Ordinances

HER HONOR THE MAYOR requesting authorization to revise ordinances pertaining to solid waste and recycling definitions, management of bulky waste items, management of white goods, including amendments to the fees and management of residential moveouts and cleanouts.

Finance Approved 5-0 on 11/13/2019

Public Facilities Approved 5-0-1 (Councilor Lappin abstaining and Councilor Gentile not voting) on 10/06/2019

Action: **Finance Held 7-0**

Note: Commissioner of Public Works Jim McGonagle presented the request to revise white goods and bulky items city ordinances. The Chair explained this item was referred back to Finance at the last full Council meeting (11/18/19). Commissioner McGonagle explained with the increase the department is seeing in the City's waste disposal they had to look for cuts somewhere and the proposed changes to this ordinance had the least impact on the least amount of people. Additionally, these changes will encourage residents to find ways to reuse their bulky and whitegoods items. Commissioner McGonagle explained that they would like to stick with their proposal of \$25 per item for bulky waste and whitegoods pick up because they have a tentative agreement with Waste Management that will save the City \$140,000 in the hauling cost and \$75,000 for the reduction of disposal weight. The Chair noted that Public Works have created the attached list of the proposed definitions for bulky items and whitegoods. Commissioner McGonagle explained that the list was recommended by Waste Management based on what they see in other communities.

A councilor expressed concern about taking a way a free service that the City has provided while still raising taxes and other fees. Additionally, the councilor is concerned that the free service is being taken

away because of a small number of heavy users. The councilor recommended to cut down on the free items and encourage the reuse of items and that the City should allow 1 or 2 free bulky waste pick-ups then charge on the 3rd pick-up whether that is per item or per pick-up. This would still cut down on the bulky waste pick-ups, while remaining to provide some this service for free to the residents of Newton. A committee member asked the Commissioner if that proposal would influence the tentative contract with Waste Management. Commissioner McGonagle explained that Waste Management was adamant with adding a fee because if there is no fee then the City will not see the reduction in items that people are putting out. Additionally, Commissioner McGonagle explained that he could go back to Waste Management with that proposal and added that most communities charge a fee. The State came in two years ago and Director of Sustainable Materials Management Waneta Trabert received a grant to do a study on this program. The State and the Department of Environmental Protection (DEP) recommended the charging of a fee.

A committee member asked if the department ever discussed having the \$25 fee include more than one item? Commissioner McGonagle explained that they could go back to Waste Management and propose that and essentially that is what he and Ms. Trabert were thinking but he does not believe that it could be a fee with unlimited items. Additionally, Commissioner McGonagle explained that the department would like to take the administrative work off Ms. Trabert and have Waste Management be responsible for it. A committee member proposed that individual residents for a \$25 fee they get one bulky waste pick-up for up to 5 items and after that implement \$25 per item.

A committee member questioned if a disassembled swing set put into bundles would be considered one item? Commissioner McGonagle explained that each bundle would be one item. The committee member commented that if the City is going to charge that amount of an item it would be easier for a resident to illegally dump the item. The committee member added that through the 311 system the City could track the heavy users and there could be a cap of about 10 free items for those users and then initiate the fee. Those users could then come in for a hearing with Public Works and explain why they use the program so frequently. Commissioner McGonagle that it would not work administratively.

A committee member commented that if the committee goes with the proposal that individual residents for a \$25 fee, get one bulky waste pick-up for up to 5 items and after that implement \$25 per item then residents could think that if they only have one item in their first pick-up they get 4 more items for no additional charge. A committee member commented that the solution to that is that it would be spelled out in the ordinance that the \$25 pick-up would be up to 5 items.

A committee member expressed concern about the disparity in items. For example, a sectional couch would be considered one item even though it can be massive and difficult to dispose of. The committee member commented that if the goal is to combat environmental impact then an item as big as a sectional should be reconsidered as more than one item. Commissioner McGonagle explained that this program also encourages reuse by charging the fee. A committee member asked if the fee could be \$25 per pick-up and Commissioner McGonagle explained this would have to be a discussion with Waste Management.

A committee member agreed with the original proposal of charging \$25 per item because this effort goes along with the goals of the recently passed Climate Action Plan. The committee member added that there should be a further discussion on the definition on what one item would be but if deterrence is the goal then this proposal is the best way to start. Additionally, the committee member questioned if the City should be responsible for discarding of residents' bulky waste items. The committee member does not want Ms. Trabert weighed down with this administrative work when she could be doing more for the City. Commissioner McGonagle explained that with the tentative agreement they have now with Waste Management this is true but if anything changes, he can't guarantee that Waste Management will take over the administrative work. The fee will be going to Waste Management not the City.

A councilor explained that it is so important to not all residents to throw away whatever they want for free. The fee will deter people from throwing away items and will make them think about finding another way to reuse the item. The councilor commented that the City is running out of land-fill space because of the current program and the solution will be adding a fee. The councilor noted that there was a City Council resolution in 2016 where a zero waste goal was discussed. The councilor believes that the City should be charging per item but would be willing bring the price down to \$20 per item.

A committee member expressed that they are on board for reuse and zero impact to the environment but when the City raises fees it usually happens incrementally. The committee member agrees with the intent of this proposal but believes initially that the City should offer residents free bulky pick up once or twice a year.

A councilor commented on the list of the definition of bulky waste and white goods items and that it does need to be well thought out and suggested this list comes back to the Council in January for consideration.

The Chair suggested that the committee ask the Commissioner to go back to Waste Management to find out what effect it would have on the tentative agreement if the committee wanted to reduce the fee from \$25 to \$20. Additionally, for the Commissioner to ask if giving one initial pick-up for up to 5 items for \$25 and then \$25 for every item after that would affect the tentative agreement. Commissioner McGonagle and Chief Financial Officer Maureen Lemieux confirmed they will take the questions back to Waste Management to see if it will affect the City's savings in the reduction of tonnage in the current tentative agreement and will try to make these answers available before the last Finance Committee.

A committee member commented that with some exceptions if residents deliver items to Rumford Ave then that is free and will continue to be free. Which would be another option for residents that do not want to pay the fee. Additionally, residents can sell the item or put it on a reuse website. The committee member commented that residents need to be more informed on how this program works.

Councilor Lappin motioned to hold which passed unanimously.

Referred to Zoning & Planning and Finance Committees

- #384-19** **Appropriate \$15,000 for a grant to the Newton Conservators**
COMMUNITY PRESERVATION COMMITTEE requesting the appropriation of fifteen thousand dollars (\$15,000) to the Planning & Development Department for a grant to the Newton Conservators, for the costs associated with holding the required conservation restriction on open space acquired with community preservation funds at Kessler Woods.
Zoning and Planning Approved 8-0 on 11/14/19
- Action:** **Finance Approved 7-0**

Note: Mark Armstrong, Chair of the Community Preservation Committee, presented the request for \$15,000 for a grant to the Newton Conservators. Mr. Armstrong explained the current request includes the Conservator's past experiences and costs associated with holding this restriction. The Conservators will manage this CPA funds separately from their operating funds. Councilor Cote motioned to approve which passed unanimously.

Referred to Public Facilities and Finance Committees

- #418-19** **Appropriate \$3,000,000 for the City's Pavement Management Program**
HER HONOR THE MAYOR requesting authorization to appropriate and expend the sum of three million dollars (\$3,000,000) from Certified Free Cash for the purpose of funding the City's Pavement Management Program.
Public Facilities Approved 7-0 (Councilor Laredo not voting) on 11/20/19
- Action:** **Finance Approved 7-0**

Note: Commissioner of Public Works Jim McGonagle presented the request for \$3,000,000 so that the department can go out to bid in the early winter for the Pavement Management Program. This allows the department to receive more aggressive bids and have been doing this for the past two years. Commissioner McGonagle confirmed that this is seed money for the FY21 construction season.

A committee member noted that the Councilors constantly get calls from residents complaining about the conditions of major roads. The committee member questioned if the City should give more thought to the roads that people are always on. Commissioner McGonagle explained that the department has been working on major streets, but the dollars do not go far on major streets. Additionally, there are residents that live on a smaller street that will never fall into the roads program if the major streets are first priority.

The Chair noted that there will be other sources that will bring the total budget for the City's Pavement Management Program to approximately \$10 million. Councilor Norton motioned to approve which passed unanimously.

#413-19 Rescinding of curb betterments

HER HONOR THE MAYOR requesting authorization to rescind the assessment of the curb betterments at 77 Pembroke Street and 86 Waban Hill Road dated November 5, 2018, Council Order #532-18

Address	Owner Name	Book/Page	Sec/Block/Lot	Total Cost
77 Pembroke Street	Vitagliano Kenneth & Mccann-Vitagliano Nancy	32580/290	72021 0005	\$1,632.50
86 Waban Hill Road	Grossman David M & Sisk Marja J	Certif. 258417 1465/41	63008 0037	\$1,165.00

Action: **Finance Approved 6-0 (Councilor Grossman recused)**

Note: Commissioner of Public Works Jim McGonagle presented the request to rescind the above curb betterments. Commissioner McGonagle explained that these two betterments were paid for and the issue was that the resident filled out the part for a betterment on the application, so the way the process works is that one person was taking the payment and the other person was filing the paperwork. This made it seem like the resident wanted a betterment but they just pre-paid for the installation. The Commissioner explained that they have made changes in the process, so this does not happen in the future. Councilor Rice motioned to approve which passed with 6 in favor, none opposed, and Councilor Grossman recused.

Referred to Public Facilities and Finance Committees

#416-19 Approve a \$500,000 for snow and ice removal

HER HONOR THE MAYOR requesting authorization to transfer the sum of five hundred thousand dollars from the Budget Reserve – Snow and Ice Removal Account to the following accounts:

Rental - Vehicles
 (0140123-527301)..... \$500,000

Public Facilities Approved 7-0 (Councilor Laredo not voting) on 11/20/19

Action: **Finance Approved 7-0**

Note: Commissioner of Public Works Jim McGonagle presented the requested for \$500,000 to ensure the department does not go into deficit spending for snow and ice removal. Councilor Noel motioned to approve which passed unanimously.

Referred to Public Facilities and Finance Committees

#417-19

Appropriate \$12,334,366 for renovations for Newton Early Childhood Program

HER HONOR THE MAYOR requesting authorization to appropriate twelve million three hundred thirty-four thousand and three hundred sixty-six dollars (\$12,334,336) from bonded indebtedness for the purpose of funding renovations of the Newton Early Childhood Program, 687 Watertown Street and authorization to apply any premium received upon the sale of the bonds or notes, less the cost of preparing, issuing, and marketing them, and any accrued interest received upon the delivery of the bonds or notes

Public Facilities Approved 7-0 (Councilor Leary not voting) on 11/20/19

Action: Finance Approved 7-0

Note: Commissioner of Public Buildings Josh Morse presented the request for \$12,334,336 for the renovations at 687 Watertown Street. There were two authorizations prior to this which were \$200,000 and \$1.3 million in the second authorization. When the Newton Early Childhood Program (NECP) first started it was combined with the Lincoln-Elliott project but now the projects will be budgeted separately. The current request is to ask for the balance of \$13 million revised budget. Commissioner Morse explained they have expended \$900,000 of the \$1.57 million dollars. The \$70,000 was set aside for the design of the elevator at 687 Watertown Street which was repurposed to be a part of the design work for the NECP project at that location. Typically what the department does for larger projects is when they come in for the 5-58 site plan removal they ask for the total balance of the construction costs and at that point the Commissioner felt it was a premature to ask the Council for the full amount till they got to the next set of cost estimates. Commissioner Morse explained that they asked for the full amount at this point because he needed more funds to continue the design of the project and they are planning to go out to bid in May. The project budget includes 5% in contingencies and confirmed that he can come back to committee once the bids come in to see the budget break down.

The Chair asked the Chief Financial Officer what the plan was for bonding. Chief Financial Officer Maureen Lemieux explained that they have been working to find what the cash flow for this project will be. Ms. Lemieux explained she only sells as much money in bonds each year as the City will commit through July 30th. She is expecting 2 to 3 million dollars of this budget will be included in sales this year and the bulk of the project will be a part of the FY21 sales which means the City will not pay until FY22.

When asked when construction will start, Commissioner Morse explained that the contract will be executed by the end of May and would want to be able to release early packages right away. Additionally, the department would like to start getting the old modulars out, hazardous materials and demolishing in May. The total project is schedule as of now is 15 months.

A committee member questioned what if the interest rate climate is extremely attractive? Ms. Lemieux explained that it is attractive right now and she will have a conversation with Comptroller Sue Dzikowski about how soon they can go out for this project and additional items that will be docketed. Any project funds that the City is bonding should be in by the end of term because the market is favorable so there is

a good chance the City will be able to sell in mid-January. A committee member noted that the expectation is that interest rates are going to remain low through the first half of next year and if that is true questioned if the City should be bonding the full amount? Ms. Lemieux explained that for this project they could have that conversation depending on the rates but would prefer not to put so much into the budget because the City has so many needs and the budget is so tight.

A committee member asked if they have the support of the public on this project? Commissioner Morse explained that Kathleen Browning, the Director of the NECP, has had multiple meetings updating her staff on the project. The parent group for this project is difficult because the turnover is high with the preschool aged children. In the next couple of weeks, the Commissioner will be giving them another update on the design of the building.

Councilor Grossman motioned to approve which passed unanimously.

Referred to Public Safety & Transportation and Finance Committees

#420-19 Transfer \$1,900,000 and \$600,000 for the retroactive pay of Newton Police

HER HONOR THE MAYOR requesting authorization to transfer the sum of one million and nine hundred thousand (\$1,900,000) from Prior Year Carry Forward for Wage Reserve and six hundred thousand dollars (\$600,000) from Current Year Wage Reserve to pay for the retroactive salaries and stipends due to the members of Newton Police Superior Officers' for the period covering July 1, 2014 through FY2020.

Public Safety & Transportation Approved 5-0 (Councilor Downs not voting) on 11/20/19

Action: **Finance Approved 7-0**

Note: Chief Financial Officer Maureen Lemieux presented request for retroactive pay for the Newton Police Superior Officers. Ms. Lemieux explained that this request is spanning six fiscal years. The City had worked with the Superior Officers back in 2014 and thought they had reached an agreement until the Superior Officer group changed leadership. The Police and Fire Department can go to the Joint Labor Management Committee where they decide if they can't decide on their own. This is a three person panel that is made of one person supporting the needs of management, one person for labor and one neutral party. The decision was received a month ago and the financial package did not change much for what they had offered the Superior Officers. The Newton Superior Officers benchmark off the patrolman's contract and that is an eight step contract. For the Superiors if you are a Sargent then you make 21 ½% more than the top set of Newton Police Association (NPA), if you are a Lieutenant then you make 17% more than a Sargent and if you are a Captain then you make 17% more than a Lieutenant. Ms. Lemieux explained that they spent what they expected to spend. The one thing that is beneficial is that the City was awarded language that allows the City to hire supplementary detail personal. But that is only for the Superior Officers now and need to have negotiations with the NPA to secure the same language.

A committee member noted that it will be a tremendous amount of work for HR to determine what each officer is owed for this six year period so this is the best estimate of how much money it will cost to honor each individual with this new agreement, there is the potential that the amount is off. A committee

member commented that money has been put aside to subsidize this contract. Ms. Lemieux explained that after finalizing the NPA contract they had a good idea where the finances would be for this contract.

Councilor Norton motioned to approve which passed unanimously.

Referred to Programs & Services and Finance Committees

- #415-19** **Transfer \$69,000 for the cost of six months of the City Council's new salary**
HER HONOR THE MAYOR requesting authorization to transfer the sum of \$69,000 from Acct# 0110498-579000 Current Year Budget Reserve to Acct# 0110111-511103 City Council Officials with Benefits to cover the costs of six months of the City Council's new salary.
Programs and Services Approved 7-0 on 11/20/19
Action: **Finance Approved 6-1 (Councilor Grossman opposed)**

Note: Chief Financial Officer Maureen Lemieux presented the request for the cost of the City Council's new salary for six months. Councilor Grossman opposed this item due to concerns for the priorities for the City's finances. Council Lappin motioned to approve which passed 6-1, with Councilor Grossman opposed.

- #414-19** **Reappointment of Susan Dzikowski as Comptroller**
PRESIDENT LAREDO, VICE PRESIDENT KALIS AND COUNCILOR GENTILE, pursuant to Section 2-7 of the City Charter, recommending that the City Council reappoint Susan Dzikowski as Comptroller; said term will begin on January 1,2020 for a term of two years or until a successor is duly qualified.
Action: **Finance Approved 7-0**

Note: Councilor Gentile presented the request to reappoint Susan Dzikowski as the City's Comptroller. Councilor Gentile explained he was pleased to be added to this docket item and pleased to be voting on this item because of the faith he has in Ms. Dzikowski. The committee thanked Ms. Dzikowski for the work she has done for the City. Councilor Lappin motioned to approve which passed unanimously.

- #421-19** **Appropriate \$85,000 to settle a discrepancy**
HER HONOR THE MAYOR requesting authorization to appropriate and expend the sum of eight-five thousand dollars (\$85,000) from Certified Free Cash to settle a discrepancy in the amount of 2017 Massachusetts State Income Taxes paid versus the amount owed.
Action: **Finance Approved 7-0**

Note: Chief Financial Officer Maureen Lemieux presented the request for \$85,000 to settle a discrepancy. Ms. Lemieux expressed her concerns on the pay roll because it is so decentralized. There are so many reports and complicated pay scale. The City constantly has a different number then what the DOR thinks the City has paid employees or owed to the state income tax versus. The DOR will run a credit balance and send the City a check and which was deposited. Before Jim Reardon left, he did not know they

sent a check he took the credit balance of \$70,000. The request is for \$70,000 plus the interest. This incident will help the City learn how to organize payroll in the future. This will be taken from Free Cash. Councilor Lappin moved to approve which passed unanimously.

Respectfully submitted,

Leonard J. Gentile, Chair

City of Newton



Ruthanne Fuller
Mayor

DEPARTMENT OF PUBLIC WORKS
DIVISION OF SUSTAINABLE MATERIALS MANAGEMENT
1000 Commonwealth Avenue
Newton Centre, MA 02459-1449

To: James McGonagle, DPW Commissioner
From: Waneta Trabert, Sustainable Materials Management Director
Subject: **DRAFT Policy to Define Bulky Waste and White Goods Items**
Date: 11/22/19

The proposed ordinance changes to the Bulky Waste and White Goods collection policies would establish a user fee of \$25 per item for each of these programs. The purpose of this ordinance change is to encourage waste reduction and reuse of bulky items, reduce costs in the FY20-FY24 hauling contract with Waste Management, and reduce disposal costs through an anticipated drop in collected tonnage.

Proposed definition of a Bulky Waste Item:

- Any single item that is too large to fit into the blue cart and is not recyclable through an existing City program. Items that contain over 50% metal, home entertainment and office electronics, and 100% rigid plastic items are recyclable through existing City programs at the Newton Resource Recovery Center.
- Carpet and loose scrap wood must be tied in a roll or bundle that is no more than four feet in length and weighs no more than fifty pounds. Each roll or bundle counts as one item. (*Existing policy*)
- One mattress, regardless of size, counts as one item. This includes children's mattresses, futon mattresses, foam mattresses, and spring mattresses.
- One complete box spring or a pair of split box springs counts as one item.
- A wooden futon frame counts as one item.
- One couch, including all sections of a sectional couch and any loose couch cushions counts as one item.
- All pieces of a wooden bed frame, including headboard, footboard, and rails counts as one item.
- All pieces of a wooden furniture item that has been dismantled counts as one item. This could include a wooden bookshelf or desk that has been dismantled into a set of pieces.
- A dining table with up to 4 matching chairs count as one item.
- One pair of skis counts as one item.

Proposed definition of a White Goods Item:

- Any single large item that is recyclable through the scrap metal, electronics, or rigid plastics recycling program at the Newton Resource Recovery Center.
 - All items in this category except TVs and computer monitors are accepted via drop-off at the Newton Resource Recovery Center at no cost.
 - TVs and computer monitors have a \$25 fee for pickup or drop-off.
- Any loose scrap metal must be tied in a bundle that is no more than four feet in length and weighs no more than fifty pounds. Each bundle counts as one item. For example, metal garden stakes.
- All pieces of a metal bedframe count as one item.
- A metal futon frame counts as one item.