



# Finance Committee Budget Report

## City of Newton In City Council

**Tuesday, May 23, 2023**

Present: Councilors Grossman (Chair), Malakie, Humphrey, Kalis, Norton, Gentile, Oliver and Noel

Also Present: Councilors Bowman, Leary, Downs, Lucas, Albright and Crossley

City staff present: Comptroller Steve Curley, Deputy Chief Operating Officer Jonathan Yeo, Director of Assessing Jim Shaughnessy, Deputy Director of Human Resources Francoise Charlot, Human Resources Director Michelle Pizzi O'Brien, Energy Coach Liora Silkes, Director of Community Engagement & Inclusion Hattie Kerwin Derrick and Co-Directors of Sustainability Ann Berwick and Bill Ferguson, Chief Financial Officer Maureen Lemieux, Payroll Manager Allison Quach, Manager of Financial Planning and Analysis Perry Rosenfield, and Senior Financial Analyst Connor Roach

*Please Note: Budget materials can be found on the City's website at the following link:*

<https://www.newtonma.gov/government/comptroller/budget>

### **DEPARTMENT BUDGET & CIP DISCUSSIONS:**

Assessing

HR

Financial Services

Comptroller/Retirement

Executive/Sustainability

### **Referred to Finance and Appropriate Committees**

#1-23

#### **Submittal of the FY 2024 to FY 2028 Capital Improvement Plan**

HER HONOR THE MAYOR submitting the Fiscal Years 2024 to 2028 Capital Improvement Plan pursuant to section 5-3 of the Newton City Charter.

### **Referred to Finance and Appropriate Committees**

#1-23(3)

#### **Submittal of the FY24 Municipal/School Operating Budget**

HER HONOR THE MAYOR submitting in accordance with Section 5-1 of the City of Newton Charter the FY24 Municipal/School Operating Budget, passage of which shall be concurrent with the FY24-FY28 Capital Improvement Program (#1-23).

**EFFECTIVE DATE OF SUBMISSION 05/01/23; LAST DATE TO PASS THE BUDGET 06/15/23**

### **Referred to Finance and Appropriate Committees**

#1-23(4)

#### **Submittal of the FY24 – FY28 Supplemental Capital Improvement Plan**

HER HONOR THE MAYOR submitting the FY24 – FY28 Supplemental Capital Improvement Plan.

## Assessing

**Note:** Jim Shaughnessy, Director of Assessing joined the Committee to discuss the FY24 budget for the Assessing Department. Mr. Shaughnessy first expressed his appreciation for his staff.

Mr. Shaughnessy explained that his budget is straightforward. The discretionary spending did decrease this year because of software management agreements. Fiscal Year 2024 is going to be a revaluation year with the Department of Revenue but because the City evaluates property every year it is not significantly different. He noted that the property values continue to increase in Newton. Mr. Shaughnessy also noted that for excise abatements those get turned around in one day and they will continue doing so. The department will also continue to administer the exemption programs.

Councilors thanked Mr. Shaughnessy and his staff for the work they do for Newton.

The Committee took a straw vote to accept the Assessing Department proposed Budget of \$1,355,072, as well as the Supplemental CIP and the CIP, which passed unanimously.

## Human Resources

**Note:** Michelle Pizzi O'Brien Director of Human Resources and Deputy Director of Human Resources Francoise Charlot joined the committee to discuss the Human Resources FY24 budget. Ms. Pizzi O'Brien explained that they have been working on switching the health insurance for the City and recruitment. The City went out to bid for the insurance and Blue Cross Blue Shield was awarded the contract. She noted that she has worked with Blue Cross in other communities, and they are the gold standard for municipal insurance. There have been a number of events to educate current employees and retirees on the new insurance.

Human Resources continues to work on recruitment for the City. Ms. Pizzi O'Brien noted that this is a problem throughout the country, especially for government entities. She also noted that they do still have 2 open positions in their own department and one of those positions directly affects recruitment.

Ms. Pizzi O'Brien thanked her staff for their work.

## Q & A

**Q:** Could there be a Home Rule Petition to possible remove the Civil Service exam from some positions?

**A:** Ms. Pizzi O'Brien explained that she removed the former community she worked for from the Civil Service process. There is currently discussion happening at the legislative level regarding the Civil Service process and she explained that they continue to look at this.

Q: In the Clerk's Office, there is a position that is being paid at a much higher rate in other communities. There is a fear that the City could lose staff members because of these higher rates in other communities. Does the HR Department have the staff to be able to do a salary review for the City Clerk's Department?

A: Ms. Pizzi O'Brien explained that she and the CFO are working to staff their own departments and once they are fully staffed this could be a potential project. She noted that they do look at compensation on a regular basis through the collective bargaining process for union employees. The HR department will also work with the Clerk's office regarding this matter. It was also noted that the HR department will continue to look at if they need more staff to be able to deal with training and recruitment.

Q: Does the City partner with local universities to provide benefits for the employees of the City and residents?

A: Maureen Lemieux, Chief Financial Officer explained that they used to receive 10 vouchers from Boston College for employees of the City. That program is no longer available. Ms. Pizzi O'Brien explained that they will continue to look into this.

Councilors thanked Ms. Pizzi O'Brien and her staff for their work.

The Committee took a straw vote to accept the Human Resource Department proposed Budget of \$1,203,337, as well as the Supplemental CIP and the CIP, which passed unanimously.

### **Financial Services**

**Note:** Maureen Lemieux, Chief Financial Officer joined the Committee to discuss the FY24 Budget for the Financial Services Department. She introduced Perry Rosenfield, Manager of Financial Analysis and Allison Quach, Payroll Manager.

Ms. Quach explained that they have had a successful year. They work closely with the HR department and timekeepers to keep improving and ensuring that all employees are paid on time. She also explained that they have been training the timekeepers to make sure they are following the guidelines for payroll regulations.

Mr. Rosenfield first introduced Connor Roach, Senior Financial Analyst who started working for the City in August of last year. He explained that the main aspects of this department are putting together the budget book in the spring and the long range financial forecast in the fall. During the rest of the year they do work with a number of different departments so that they can make informed decisions, including working with HR on the new health insurance.

Councilors thanked the Financial Services Department for the work they do for the City.

The Committee took a straw vote to accept the Financial Service Department proposed Budget of \$778,737, as well as the Supplemental CIP and the CIP, which passed unanimously.

### **Executive/Sustainability/DEI**

**Note:** Maureen Lemieux, Chief Financial Officer joined the committee to discuss the Executive Department's budget. This budget includes the Sustainability team and Diversity, Equity and Inclusion.

#### **Sustainability**

Ann Berwick and Bill Ferguson, Co-Directors of Sustainability were present to discuss the Sustainability budget. Mr. Ferguson explained that they are working on the following projects:

- Phase 3 of the solar project
- Green Communities grant program, which the city applies for each year
- the specialized opt-in code
- 10 communities pilot program,
- New Newton Power Choice Contract
- For our Future campaign
- Public Building projects; regarding solar and maximizing incentives the City receives from utilities
- Micro Grants with Village Bank

Councilors thanked Ms. Berwick and Mr. Ferguson for the work they have done for Newton.

#### **Diversity, Equity, and Inclusion**

Hattie Kerwin Derrick, Director of Community Engagement & Inclusion Hattie Kerwin Derrick joined the committee to discuss Diversity, Equity and Inclusion. Ms. Kerwin Derrick explained that they will be working with Racial Equity Group, who has worked with a number of communities in Massachusetts. They will be coming to the City to work with other departments on diversity training. Additionally, Ms. Kerwin Derrick has been working on the bidding process with the purchasing department as well as looking for a graphic designer for the city seal. She also noted her work with the Clerk's Office on translation for the census and election forms.

The Committee took a straw vote to accept the Executive/Sustainability/DEI Department proposed Budget of \$1,366,028, as well as the Supplemental CIP and the CIP, which passed unanimously.

### **Comptroller/Retirement**

**Note:** The Chair noted that the Comptroller/Retirement budget was held at the May 8, 2023 Finance Committee meeting. This was due to the ongoing conversations regarding the funding for the pension liabilities and the retirees' COLA.

A Councilor expressed their concern regarding the Mayor's decision to eliminate, over the next two years, the Medicare part B reimbursement that retirees have been receiving for decades. It was suggested that current retirees should be grandfathered into the program to be able to keep their reimbursement.

The Committee took a straw vote to accept the Comptroller/Retirement Department proposed Budget of \$65,377,407, as well as the Supplemental CIP and the CIP, which passed 2-2-4 with Councilors Gentile and Kalis opposed and Councilors Grossman, Noel, Malakie and Oliver abstaining.

**Respectfully submitted,**

**Rebecca Walker Grossman, Chair**