



## Finance Committee Report

### City of Newton In City Council

**Monday, January 9, 2017**

Present: Councilor Gentile (Chair), Ciccone, Norton, Brousal-Glaser, Rice, blazar, Fuller, and Lappin

City staff present: David Wilkinson (Comptroller)

**#445-16      Recommendation on the appointment of the City Comptroller**

COUNCILOR GENTILE on behalf of the Comptroller's Search Committee recommending Sue Dzikowski for appointment by the City Council to succeed David Wilkinson as Comptroller of the City of Newton.

**Action:      Finance Approved 8-0**

**Note:**      When David Wilkinson announced that he would be retiring from the City of Newton, a nine member Comptroller's Search Committee was formed and chaired by the Chair of the Finance Committee. Councilor Gentile provided a summary of the work of the Search Committee. The Search Committee interviewed six candidates for the position. After discussing the candidates' qualifications, it became apparent that Sue Dzikowski had all of the qualifications and experience needed to be an excellent Comptroller. The Search Committee unanimously supported offering the job to Ms. Dzikowski contingent on approval of the City Council. The position was offered and Ms. Dzikowski accepted and negotiated a starting salary of \$130,000.

Sue Dzikowski joined the Committee to discuss her appointment as Comptroller of the City of Newton. Her resume is attached and highlights her qualifications and experience. Ms. Dzikowski is humbled to have been offered the Comptroller position but knows that she is the right choice, as she will work harder than anyone to get the job done. She has worked for the School Department for the past 13 years and is very knowledgeable about the financial aspects of running a school district, which will transfer to the Comptroller's position. Ms. Dzikowski has a background in capital planning and budget planning. In addition, she served as an Assistant Comptroller at a law firm in New York City. She feels that she has the needed abilities to be a success as the City of Newton Comptroller.

Committee members pointed out that the Comptroller works autonomously and may have to disagree and/or intercede with the Executive Department or department heads to ensure that the City is in compliance with municipal finance law or City ordinances. Ms. Dzikowski stated that in her current position with the School Department, there are times that she has dealt with differences of opinion between the School Department and the Administration. She is not afraid to disagree and work to find the appropriate solution.

A Committee member added that one of the most important abilities of the current Comptroller David Wilkinson is giving an objective answer to any question. It is very important for Councilors to be able to go to the Comptroller for unbiased answers. Ms. Dzikowski understands that it is the Comptroller's first responsibility to give direct, impartial answers. It is the Comptroller's job to present accurate financial information. Ms. Dzikowski feels she will not disappoint in this area.

Vice-chair of Finance Councilor Fuller, who also served on the Search Committee, has worked with Ms. Dzikowski on a number of occasions including as a member of the Citizen Advisory Group, and Chair of the Financial Audit Advisory Committee. Councilor Fuller has confidence in Sue Dzikowski and felt that recommending her for the position of Comptroller is not a hard decision. Councilor Rice added that he has worked with Ms. Dzikowski on the Angier and Zervas Elementary School Projects and feels that Ms. Dzikowski will be excellent.

The Committee is very happy that David Wilkinson is working with Ms. Dzikowski and is willing to come back after leaving the City to provide guidance on closing issues, review of the upcoming budget and preparation of the fiscal yearend close. The attached memo provides further detail on the transition plan. At a later point in the meeting, David Wilkinson stated that he feels Ms. Dzikowski is a superb choice. He has worked with her for a number of years and is sure she will do a great job. With that, Councilor Fuller moved approval of the appointment, which carried unanimously.

**#8-17      Temporarily increase the staff in the Comptroller's Office**

COUNCILOR GENTILE requesting authorization to temporarily increase the authorized full-time complement of Comptroller Office staff by 1 FTE. [12/27/16 @ 11:30 AM]

**Action:**      **Finance Approved 8-0**

**Note:**      The above request is to temporarily increase the staff in the Comptroller's Office for two days. The new Comptroller begins on January 30, 2017 and Comptroller David Wilkinson leaves at the end of the day on January 31, 2017. Any increase in the number of employees within a department requires approval of the City Council even if it is only for a couple of days. Councilor Ciccone moved approval, which carried by a vote of eight in favor and none opposed.

**#9-17      Discussion on Governor's Municipal Modernization Law**

COMPTROLLER DAVID WILKINSON requesting a discussion with the Finance Committee regarding financial reform measures in Governor's Municipal Modernization Law. [12/16/16 @ 4:10 PM]

**Action:**      **Finance Voted No Action Necessary 8-0**

**Note:**      Comptroller David Wilkinson updated the Committee on the new act to modernize municipal finance and government. A summary of the act was attached to the Finance

Committee Agenda for this meeting. Mr. Wilkinson highlighted the changes that most affect the City.

The City Council and Administration have already established an Other Post-Employment Benefits (OPEB) trust fund that complies with the legal requirements for trusts. It was done at the request of the Pension Reserve Investment Management Board when the City decided to invest the OPEB trust fund in the State's PRIT fund. The creation of rental revolving fund has also been completed, as the City has rented non-school properties in the past. The city has also addressed the amendment related to stabilization funds by previously authorizing some or all revenue from particular streams to be dedicated to stabilization funds. The amendment still retains the requirement of a 2/3 approval by the Council to appropriate any funds from a stabilization account.

The Administration and City Council can let parking meter revenue fall to the general fund or the revenue can be accounted for in a separate fund and designated for managing the parking supply. The establishment of a separate fund would make sense if sufficient funding were not available for parking management. Mr. Wilkinson pointed out that the City provides funding well over what is collected from parking meters for parking management. If the Council should opt to restrict the funds, it should be done by the end of May for budgeting purposes. The Chair asked for the history of how the parking meter funds are used to better understand if they should be restricted. Mr. Wilkinson agreed to provide the requested information.

There is also amended language that allows multi-member boards, and committees heading departments like the School Committee to designate one of its members to review and approve bills and warrants and provide a report at the next meeting. This is similar to existing law authorizing delegation authority to a member of a multi-member board or committee to approve payrolls.

The City already has a fund for police officers and firefighter's injured on duty. It is a sub-fund in the workers' compensation fund. Therefore, the City does not need to create a new fund.

Existing state law allows municipalities to issue Bond Anticipation Notes (BANS) for five years. The municipal modernization bill amends that law to allow issuance of 10-year BANS with the same principal pay down requirements as the existing law. This amendment is in an effort to give municipal Treasurers additional flexibility when structuring debt.

The modernization bill amends current law by providing communities with a choice on how they treat bond premiums net issuance costs. The City can either apply premiums to the bond issuance, effectively reducing the amount to be borrowed or the premiums earned can be put in a separate fund and appropriated for future capital projects. The City Council just authorized the administration to apply premiums received for bonds included in the upcoming bond sale to reduce each of the bond authorizations by the amount of the premium earned on

the particular bond. Committee members raised concerns that when discussing the authorization Chief of Staff Maureen Lemieux did not inform the Committee of both options. She only provided information on the option to apply the premiums to the bond issuance.

There are some amendments related to deficit spending for snow and ice removal. The amendment removes the requirement that the City Council approve deficit spending for snow and requires only that the Chief Administrative Officer authorize the deficit spending; however, Newton did not accept the original law. In order for the Mayor to take advantage of the amendment, the Administration would have to appropriate the amount spent on snow and ice removal in the previous fiscal year.

There are amendments to the statute that allows up to \$20,000 in insurance restitution proceeds to be spent to restore or replace damaged property. The administration can now spend up to \$150,000 without appropriation. The Council will be able to track them because the Comptroller will account for the restitutions in a sub-fund in the revolving funds but will not approve the appropriations.

There is new language that allows permitting boards and municipal officers to impose consulting fees on applicants for consulting services related to review of permits and if money remains after the board makes its decision to refund the applicant without appropriation.

The last amendments are 1) permit the City to invest in certificates of deposit for up to three years instead of the previous one year requirement; and 2) raise the Senior Citizen Property Tax Work-Off Program abatement to \$1,500 instead of \$1,000.

The Committee thanked Mr. Wilkinson for the update and Councilor Fuller moved the item no action necessary, which carried unanimously.

**#25-15(2) Increase Investment Advisory Committee membership**

COUNCILOR GENTILE requesting an amendment to City of Newton Ordinances Chapter 2, Section 142 to increase the Investment Advisory Committee membership to 9 by one by adding an additional member to be appointed by the President of the Council. [11-21-16 @10:32 AM]

**Action:** Finance Voted No Action Necessary 8-0

**Note:** Councilor Gentile filed the request to increase the membership of the Investment Advisory Committee in an effort to comply with the open meeting law. The four citizen members of the eight-person committee wanted to meet on their own in order to work on an investment plan to maximize investment income for the City. Since the docket item was filed, The Law Department has provided an opinion that due to the type of committee the Investment Advisory Committee is, a meeting of the four citizen members does not constitute a quorum. Therefore, there is no need to increase membership and the Chair asked for a motion of no action necessary. Councilor Ciccone made the motion and the Committee unanimously voted to support the motion.

**Referred to Programs & Services, Public Facilities and Finance Committees**

**#388-16**     **Authorize the Library Trustees to apply for grant funds for library renovation**  
HIS HONOR THE MAYOR requesting that the City Council authorize the Board of Library Trustees to apply for any state funds which might be able to make improvements and additions to the Newton Free Library and which will defray all or part of the cost of the design, construction and equipping of the library project; and to authorize the Library Trustees to accept and expend any such funds when received without further appropriation. [10/31/16 @ 2:05 PM]

**Programs & Services Voted No Action Necessary 5-0 on 01/04/17**

**Public Facilities Voted No Action Necessary 5-0 on 01/04/17**

**Action:**     **Finance Voted No Action Necessary 8-0**

**Note:**     The above is a request to authorize the Library Board of Trustees to apply for state grant funds to improve and expand the library. After developing the scope of the project, the estimated cost of the project grew to \$77 million dollars. The Library Board of Trustees and the Library Building Committee both asked that the project be cut back to an estimated cost of \$33 million. It was not possible to scale the project back and provide plan before the deadline to file the grant application. It was decided that the best course of action was to skip this round of grant funding, develop a scaled back project, and submit the project for the next round of State funding. Therefore, the recommendation is for the Council to vote the item no action necessary. Councilor Norton moved no action necessary, which carried unanimously.

All other items before the Committee were held without discussion and the Committee adjourned at 8:15 PM. Draft Council Orders for the above items that are recommended for City Council action are attached.

Respectfully submitted;

Leonard J. Gentile, Chair

**Susan Dzikowski**  
50 Wyman Street, Waban, MA 02468

### **Fiscal Management Experience**

Director of Finance, Newton Public Schools, Newton, MA, 2003 to present

- Control and monitor the finances of the district including development of the annual operating budget (\$211 million), as well as revolving accounts, student activities, grants, fees, gifts and expenditures by the city (\$50 million)
- Build teams to collaborate with all non-instructional staff for timely and successful completion of fiscal, enrollment and facilities documents for district leadership, the School Committee and the City
- Comply with state audits and procedures for reporting financial information such as the district's end-of-year financial report to the state
- Formulate and publish the annual budget and enrollment analysis reports
- Calculate multi-year forecasts in conjunction with school and city officials
- Conduct special projects as assigned by the Superintendent and school central staff
- Troubleshoot exceptions and answer questions on fiscal issues within the district

Chief of Staff, Committee on Long Term Debt and Capital Expenditures, Massachusetts House of Representatives, Boston, MA, 1997-2003

- Analyzed the implications of the state's annual \$1.2 billion capital spending limit during the peak construction years of the Big Dig project
- Developed a new means of funding the state's share of school construction projects; this led to the formation of the Massachusetts School Building Authority and saved millions of dollars for the state
- Proposed and presented financial strategies to legislators in all facets of state government
- Collaborated with the Governor's financial staff and supervised legal and analytical staff

Senior Financial Analyst, Massachusetts Port Authority, Boston, MA, 1990-1996

- Calculated annual landing fee and terminal rents for Logan Airport, over 38% of annual revenue
- Achieved 30% revenue growth over four years by redesigning rate structures
- Prepared expense and revenue budgets for \$249 million quasi-public authority
- Provided monthly profit and loss statements to management
- Supervised the daily workload of analysts and interns

Fiscal Manager, Pan American World Airways, Inc., Jamaica, NY, 1987-1990

- Maximized revenues at \$92 million JFK Airport hub
- Prepared annual revenue and expense budgets for all aspects of the airline terminal's operation
- Served as corporate liaison with the JFK station manager and executives
- Oversaw payroll for 400 employees and supervised financial and other staff
- Instituted cost cutting measures

Assistant Comptroller, Law Firm of Bivona and Cohen, New York, NY, 1985-1987

- Ensured financial reporting and legal compliance of day-to-day operation of 60 attorney firm
- Developed revenue and expense budgets, supervised payroll, billing and accounts payable

### **Professional Licensure and Education**

Licensed School Business Administrator, Commonwealth of Massachusetts, Department of Elementary & Secondary Education, valid through 2020

M.B.A., Baruch College, City University of New York, New York, NY  
B.S. Marketing, University of Vermont, Burlington, VT

CITY OF NEWTON

IN CITY COUNCIL

2017

ORDERED:

That, in accordance with the recommendation of the Finance Committee through its Chair Leonard J. Gentile be it know that Susan Dzikowski is hereby appointed by the City Council as Comptroller for the City of Newton.

Under Suspension of Rules  
Appointment Approved

CITY OF NEWTON

IN BOARD OF ALDERMEN

2017

ORDERED:

That, in accordance with the recommendation the Finance Committees through its Chair Leonard J. Gentile, authorization be and is hereby approved to temporarily increase the authorized number of Full Time Equivalent (FTE) employees in the Comptroller's Office by one (1) FTE position through January 2017.

Under Suspension of Rules  
Readings Waived and Approved

(SGD) DAVID A. OLSON  
City Clerk

(SGD) SETTI D. WARREN  
Mayor

Date \_\_\_\_\_



CITY OF NEWTON, MASSACHUSETTS  
 PARKING METER RECEIPTS RESERVED FOR APPROPRIATION  
 SUMMARY OF APPROPRIATIONS, BY PURPOSE  
 PAST 15 YEARS

**#9-17**

	<u>Operating Budget</u>	<u>Street Paving</u>	<u>Traffic Signal Grant Matching Funds</u>	<u>Traffic Signal Improvements</u>	<u>Street Light Improvements</u>	<u>Parking Meters</u>	<u>Parking Meter Collections</u>	<u>Automated License Plate Recognition</u>	<u>Fire Wires Truck Replacement</u>	<u>Meter Collection Van Repl.</u>	<u>Total Appropriations</u>
2017	\$ 1,515,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,515,000
2016	1,527,000	-	-	-	-	-	-	-	-	-	1,527,000
2015	1,773,597	-	-	-	-	-	-	-	-	-	1,773,597
2014	1,709,300	-	-	-	-	-	-	-	-	-	1,709,300
2013	1,681,650	-	-	-	-	-	-	-	-	-	1,681,650
2012	1,325,000	-	-	-	-	-	-	-	-	-	1,325,000
2011	1,200,000	500,000	40,000	-	-	-	-	-	-	-	1,740,000
2010	1,000,000	-	-	-	-	90,000	-	52,645	-	-	1,142,645
2009	1,000,000	-	-	100,000	40,000	-	-	-	-	-	1,140,000
2008	1,000,000	-	-	15,000	-	-	115,000	-	-	-	1,130,000
2007	852,832	-	-	-	-	-	-	-	-	-	852,832
2006	702,832	-	-	-	16,000	40,000	-	-	-	-	758,832
2005	702,832	-	-	7,806	-	20,000	-	-	160,000	-	890,638
2004	847,000	-	-	-	-	-	-	-	-	-	847,000
2003	847,000	-	-	-	-	-	-	-	-	11,738	858,738
	<u>\$ 17,684,043</u>	<u>\$ 500,000</u>	<u>\$ 40,000</u>	<u>\$ 122,806</u>	<u>\$ 56,000</u>	<u>\$ 150,000</u>	<u>\$ 115,000</u>	<u>\$ 52,645</u>	<u>\$ 160,000</u>	<u>\$ 11,738</u>	<u>\$ 18,892,232</u>

CITY OF NEWTON

IN CITY COUNCIL

, 2017

ORDERED:

That, in accordance with the recommendation of the Finance Committee through its Chair Leonard J. Gentile, the following item be and is hereby voted NO ACTION NECESSARY:

**#9-17**      **Discussion on Governor's Municipal Modernization Law**  
COMPTROLLER DAVID WILKINSON requesting a discussion with the Finance Committee regarding financial reform measures in Governor's Municipal Modernization Law.

Under Suspension of Rules  
Readings Waived and Item Voted NO ACTION NECESSARY

(SGD) DAVID A. OLSON, City Clerk

CITY OF NEWTON

IN CITY COUNCIL

, 2017

ORDERED:

That, in accordance with the recommendation of the Programs & Services, Public Facilities, and Finance Committee through their respective Chairs John B. Rice, Deborah J. Crossley, and Leonard J. Gentile, the following item be and is hereby voted NO ACTION NECESSARY:

**Referred to Programs & Services, Public Facilities and Finance Committees**

**#388-16** **Authorize the Library Trustees to apply for grant funds for library renovation**  
HIS HONOR THE MAYOR requesting that the City Council authorize the Board of Library Trustees to apply for any state funds which might be able to make improvements and additions to the Newton Free Library and which will defray all or part of the cost of the design, construction and equipping of the library project; and to authorize the Library Trustees to accept and expend any such funds when received without further appropriation.

Under Suspension of Rules  
Readings Waived and Item Voted NO ACTION NECESSARY

(SGD) DAVID A. OLSON, City Clerk