

CITY OF NEWTON

IN BOARD OF ALDERMEN

PUBLIC FACILITIES COMMITTEE BUDGET REPORT

THURSDAY, MAY 1, 2014

Present: Ald. Crossley (Chairman), Lennon, Albright, Danberg, Laredo and Lappin

Absent: Ald. Gentile; 1 vacancy

City staff present: Josh Morse (Commissioner of Public Buildings), Dori Zaleznik (Chief Administrative Officer), and Alice Ingerson (Community Preservation Planner)

**REFERRED TO FINANCE AND APPROPRIATE COMMITTEES**

#403-13(2) HIS HONOR THE MAYOR submitting in accordance with Section 5-1 of the City of Newton Charter the FY15 Municipal/School Operating Budget totaling \$345,044,967 passage of which shall be concurrent with the FY15-FY19 Capital Improvement Program (#403-13). [04/14/14 @ 5:43 PM]  
EFFECTIVE DATE OF SUBMISSION 04/22/14; LAST DATE TO PASS THE BUDGET 06/06/14

**REFERRED TO FINANCE AND APPROPRIATE COMMITTEES**

#403-13 HIS HONOR THE MAYOR submitting the FY15-FY19 Capital Improvement Plan and Long Range Projection pursuant to section 5-3 of the Newton City Charter. [10/21/13 @ 9:59 AM]

**PUBLIC BUILDINGS DEPARTMENT BUDGET**

The Public Buildings Department is responsible for planning, constructing, renovating, repairing and maintaining the City's approximately 2.5 million square feet of space in 80 buildings. The mission of the department is to provide safe, accessible and sustainable municipal and school facilities.

Commissioner of Public Buildings Josh Morse provided the overview of the Public Buildings Department budget. The Commissioner proceeded with a synopsis of the past year's accomplishments and next year's desired outcomes as described below.

**FY 2014 Accomplishments**

**Project Management**

This past year, all capital projects within the general budget were completed on time and on budget and/or remain on schedule, which is a result of effective budget and project management. The projects completed include the F.A. Day Middle School addition and the installation of 10 modular classrooms at six elementary schools. The renovation of Carr School is almost complete and at this point, under budget. The Public Buildings Department is currently working with the School Department on the strategy for moving the Angier Elementary School to the Carr School in September.

**Capital Planning**

The Public Buildings Department is now providing Capital Improvement Plan (CIP) Status Reports quarterly and at key milestones within a project. These reports are distributed and posted on-line by the first of the following months: February, May, August and November. In addition, the department provides monthly status reports to the Board of Aldermen on larger projects like the elementary school and the fire station projects.

**Operations & Maintenance**

The Department reduced the backlog of work orders for maintenance projects by 30%. This past year, the Commissioner performed a walk-thru of each of the City's buildings. The walk-thrus help identify and prioritize work needed in each of the buildings. The Inspectional Services Department also inspected the buildings and identified any code and safety issues. Any needs that are identified through the walk-thru or Inspectional Services inspection are added to the building assessment, School Dude and, if a larger than \$75,000 item, to the CIP. If a safety or structural issue is identified, the project ranking is adjusted to reflect that the need is a priority.

The newly hired Facilities Director will have responsibility of handling the walk-thru inspections this coming year. The Commissioner is in the process of developing a checklist for the inspections and plans to train all staff to know what to look for.

**Energy Efficiency & Sustainability**

The department has completed a variety of capital projects that will result in reduced energy use at several city buildings like the library, Lincoln-Eliot Elementary School, Cabot Elementary School and Burr Elementary School. The projects included replacements of univents, air handlers and other mechanical equipment. The retrofit projects resulted in a reduction in energy consumption at those buildings, which was much as a 35% at the library.

In addition, the department oversaw a number of solar panel installations at four schools working with Ameresco. The panels are expected to generate more than \$40,000 worth of electricity savings in today's dollars per year.

**FY 2015 Outcomes and Strategies**

Commissioner Morse stated that he has provided measurable goals or outcomes for this year's budget. He will be able to state whether the department has met those goals at next year's budget discussion.

**Project Management**

Through careful project management, the department seeks to achieve a goal of 100% on time and on budget (budgets determined relative to and approved scope of work) for all capital projects. Commissioner Morse clarified that the budget for a project is not set until the scope of the project is established. Should a project's scope of work change, the budget will increase or

decrease. It is important to keep in mind what is a “want” versus a “need” when expanding the scope of a project. Awareness of that is important in order to eliminate “scope creep” as a project progresses through its phases. The Public Building Department does everything it can to work within project budgets but if something comes up that is unknown and unplanned for or if there is great benefit to adding to the scope of a project, the department works with the Executive Department to expand the budget. Other variables that can influence a project budget are related to economic factors like the 8% increase in construction costs that occurred this past year.

### **Capital Planning**

The Commissioner will continue to refine the monthly and quarterly updates. Future reports may include all of the City’s large-scale projects, whether or not the Public Buildings Department is involved in the project. The Public Building Department’s capital projects include target dates for completion in the FY 2015 budget.

### **Operations & Maintenance**

In FY 2015, the department will expand its preventive maintenance program with a focus on integrity of roof system, masonry systems and maintaining clear roof drains. The Commissioner is also working on a long-range strategic plan for City offices, starting with meeting with Department heads to understand each department’s, thus far identified, current and future needs. The department will also complete all life-safety or code-related work in all school and municipal buildings.

### **Energy Efficiency & Sustainability**

In FY 2015, the Department expects to complete \$5.5 million in projects and measures that will reduce energy use in over 30 buildings through the Preferred Vendor Program. The buildings were chosen based first on highest energy consumption levels, then size. Consideration was given to future construction/maintenance plans for the building. Energy conservation measures considered (such as more efficient lighting and replacing stream traps) assure a blended payback of no more than 10 years. A 10% drop in overall building energy consumption is expected once all projects are complete. By amortizing/bonding this work over 10 years analysis shows these projects will be cash neutral right away and cash positive in the long run.

### **Training and Staff Development**

The Commissioner reviewed the staffing plan with the Committee. The staffing structure in the department remains the same. The City recently hired a Facilities Director to take on a number of responsibilities that Mr. Morse was responsible for as Deputy Commissioner. The current Program Manager is resigning from the Department at the end of the week. Current Project Manager Alex Valcarce is being promoted to that position, as his proven leadership shows he is prepared to take on a larger role. Mr. Valcarce will continue to provide oversight to both the Angier School Project and the Fire Station 10 Project; however, another Project Manager will be assigned to each project to handle the day-to-day construction management. A

Project Manager with a background in energy and sustainability was hired this past year to oversee the Preferred Vendor Program projects. The Public Buildings Department currently has a very solid team.

The Capital Planner and one Project Manager position remain vacant and the Budget and Project Specialist is retiring at the end of June. The Commissioner is working with the Human Resources Department to fill the vacant positions and develop new job descriptions. The responsibilities of the Budget and Project Specialist have changed over the years and a new description will reflect those changes. The Capital Planner and Budget and Project Specialist job descriptions need to support the department as a whole. With the Budget and Project Specialist retiring, there is an opportunity develop a job description that is complimentary to the Capital Planner job description.

Commissioner Morse added that the department is working to cross-train employees to ensure that everyone is able to perform a wide variety of department functions. The Commission is also requiring vendors to provide training to custodians whenever new equipment is installed in a building.

The Committee asked the Commissioner to explain the salary increases for the H-Grade employees that are in the FY 2015 budget. Chief Administrative Officer Dori Zaleznik explained that the best person to provide an explanation on the increase is Chief of Staff Maureen Lemieux. The Committee requested that Ms. Lemieux provide the information by Wednesday, May 21, 2014 Committee of the Whole meeting.

#### **PLANNED PROJECTS UNDER \$75,000**

**NOTE:** The Administration's policy since 2011 is to define projects under \$75,000 as small capital projects that are not included in the CIP. Every department must therefore plan for these projects separately within their department budgets.

The Public Building Department budget for the upcoming year for projects under \$75,000 is \$160,000. The funds are only used on municipal buildings. The funds will be used to replace carpets with tile flooring in the Human Resources Department, Law Department, and the shared Planning and Inspectional Services Department. The carpet replacement projects are an opportunity for the effected departments to clean out their offices and consider whether the office layout is optimal. In addition, the leaking piping at the Upper Falls Community Center will be repaired and the access system for the Police Department will be upgraded to provide securer access to the evidence locker.

The under \$75,000 projects also include redoing the Aldermanic Chamber floor and clean up some of the electrical wiring in an attempt to eliminate some of the microphone feedback. The project is not cosmetic as the floor is worn and the City is in danger of losing the floor. It is very expensive to replace the herringbone floor in the Chamber. The floor will be redone between July 15, 2014 and September 1, 2014.

The current list of under \$75,000 projects totals \$3,529,272. Once projects are complete, they are removed from the list. It was pointed out that in actuality there is more than the \$160,000 for these projects, as there is an expense line item for materials for \$200,000. The Public Buildings Department makes the funding go a long way and there is an ongoing effort to better account for and address these projects.

The Committee requested that Commissioner Morse provide an up to date list of pending under \$75,000 projects.

## **ACTION**

Ald. Lappin moved approval of the proposed Public Buildings Department Budget. The Committee took a straw vote, which carried by a vote of six in favor and none opposed. The total recommended department budget for the upcoming fiscal year is \$4,171,226, which is an increase of 3.97% over the previous year's budget.

## **PUBLIC BUILDINGS DEPARTMENT CAPITAL IMPROVEMENT PLAN PROJECTS**

The Committee reviewed the updated Capital Improvement Plan (CIP) focusing on the FY 2015 items for the Public Buildings Department with Commissioner Morse.

To date, the Angier, and Zervas Elementary School Projects are moving forward on schedule. (Commissioner Morse pointed out that the Cabot Elementary School Project should be listed under Fiscal Year 2016 not fiscal year 2015.) The Commissioner reviewed all other planned projects with funding in Fiscal Year 2015.

The larger projects include improvements to the War Memorial Hall heating, ventilation and cooling system and the plumbing system to create a more useable and rentable space. This project is in addition to the accessibility upgrades planned for the War Memorial. The goal is to create a community asset.

In addition, mechanical improvements to the library are planned. The main library's cooling system is in dire need of repair and/or replacement. The Public Buildings Department is currently looking at options for the air conditioning system at the library that include geo-thermal or in-kind replacement of the chiller. The project is estimated to cost \$1.1 million spread over three years.

There is also a phased CIP project to restore the windows at City Hall to improve energy efficiency. The window contractor believes that the City can achieve almost the same efficiency with rehabilitated windows versus the much more expensive replacement windows. The Public Buildings Department is working with a window contractor to do a pilot of a rehabilitated window and a window with a new operable interior storm window. The project could be eligible for funding through the Community Preservation Act Fund.

Some windows were reglazed with insulated glass about ten years ago but there was no rehabilitation of the window sashes or window frames. The windows are considered a historic

feature of the building and any change would require the endorsement of the Newton Historical Commission.

The Fiscal Year 2015 CIP also contains a project to install solar collectors on the roof of City Hall. The solar panels are expected to generate 50% of the City Hall electricity load. The project includes a study of the structural soundness of the roof and a determination of what type of solar panels are best for the project.

The Commissioner reviewed a number of smaller projects that include additional outdoor safety light at City Hall and various emergency generator and air handler replacements. The Aldermen will have further opportunity to discuss the CIP in Committee of the Whole.

Ald. Lappin moved approval of the proposed Fiscal Year 2015 Capital Improvement Plan. The Committee took a straw vote, which carried by a vote of six in favor and none opposed.

Respectfully submitted,

Deborah Crossley, Chairman