

CITY OF NEWTON

IN BOARD OF ALDERMEN

FINANCE COMMITTEE REPORT

MONDAY, FEBRUARY 9, 2009

Present: Ald. Coletti (Chair), Salvucci, Parker, Lennon, Freedman and Gentile

Absent: Ald. Johnson and Schnipper

Also Present: Ald. Linsky (Chair), Swiston, Harney, Fischman, Danberg and Ciccone

City Staff: Susan Burstein (Chief Budget Officer), Chief Joseph LaCroix (Newton Fire Department), James Reardon (Treasurer/Collector), Thomas Daley (Commissioner Public Works Department), Ann Cornaro (Director of Information Technology Department), Arthur Cabral (Budget and Project Specialist Public Buildings Department) and Sandy Pooler (Chief Administrative Officer)

REFERRED TO PUB. SAFETY & TRANS. AND FINANCE COMMITTEES

#39-09 **HIS HONOR THE MAYOR** requesting authorization to appropriate and expend thirty one thousand one hundred dollars (\$31,100) from Budget Reserve to the Fire Department for the purpose of purchasing a new replacement vehicle for the utility pick-up truck with plow. [01/27/09 @ 6:05 PM]

ACTION: **PUBLIC SAFETY & TRANSPORTATION COMMITTEE APPROVED 7-0**
FINANCE COMMITTEE APPROVED 6-0

NOTE: The Committee met jointly with the Public Safety and Transportation Committee to discuss this item with Chief Joseph LaCroix, Newton Fire Department.

Committee members reviewed a letter from Chief LaCroix dated January 21, 2009. In Chief LaCroix's letter he indicated the truck he is asking to purchase would replace the 1995 Ford F-250 pick-up truck with plow with approximately ninety thousand miles. Chief LaCroix stated he originally requested this vehicle be replaced in November 2008. The City granted the replacement and he hoped to replace this vehicle in the spring 2009 but during a January 2008 snowstorm the front differential on this pick-up truck cracked in half. The truck was temporarily repaired, it is the mechanics expectation that this truck cannot be used as a front line vehicle to plow the fire stations, transfer supplies, as well as picking up additional equipment in other cities and towns. Chief LaCroix indicated parts are no longer available from Ford Motor Company for purchase due to the age of the vehicle.

Chief LaCroix indicated he first considered going to auction to purchase a truck but the problem is that the vehicles do not have factory installed light bars, radios and all specific emergency equipment this truck needs. Unfortunately, a vehicle purchased at auction would be an additional cost. As a result, an after market installation would have to be completed including the installation of radio, plow, lights and siren which may cause leakage problems due to the drilling of holes in the roof to mount the lights.

Chief LaCroix stated the state requisition account that purchases emergency vehicles for the entire state for the Police and Fire Departments vehicles currently has a vehicle for purchase due to a cancellation in another community and is available for the City of Newton. The price of this vehicle totally equipped will cost under \$31,000. He indicated to Committee members if they approve this appropriation he would consider a completely outfitted vehicle through this contract price rather than attending the auction.

Both Public Safety & Transportation and Finance Committee members approved this appropriation for a new vehicle without debate.

#37-09 HIS HONOR THE MAYOR requesting authorization to transfer twenty five thousand dollars (\$25,000) from payroll to expenses within the Treasury Department for the purpose of paying the MUNIS consultant who provided training on policies and procedures in the Treasury Department. [01/27/09 @ 6:05 PM]

ACTION: **APPROVED 6-0**

NOTE: James Reardon, Treasurer/Collector and Sandy Pooler, Chief Admin. Officer joined the Committee for discussion on this item.

Mr. Reardon indicated the MUNIS consultant has been working with the other consultant in the Treasury Department to complete and update the technology in place to expedite an on line process where the City could use MUNIS for the purpose of completing reconcilable, receivable and billing accounts.

Currently, the Treasury Department is slowly making tremendous progress relative to the understanding of MUNIS training and house cleaning of the original installation problems associated with the MUNIS program.

Until now the Executive Department has been transferring funds from vacant positions in the Treasurers account in order to fund the work of the consultants. Since Mr. Reardon's appointment as Treasurer/Collector the Treasury Department is moving forward to fill both the Deputy Treasurer and Office Manager positions.

Dave Wilkinson, Comptroller; Sandy Pooler, Chief Admin. Officer and Ald. Coletti have agreed the bulk of the work the consultant has completed relates to the operations of the Water/Sewer Department. With the appropriate billing, cleaning, abatement issues, water billing it would be appropriate to replenish the Treasurer's account in order to hire and fill these current positions.

To date, approximately \$52,000 has been expended for consultants work to repair the Treasury Department problems related to MUNIS. The training consultant will continue employment to train people in the Treasury, Comptroller, Water/Sewer and Information and Technology Departments on the applications of MUNIS.

Ald. Coletti stated the Executive Department anticipates docketing an item to turn back funds to the Treasurers Personnel Account from water surplus. In the meantime, to move this item forward Committee members approved this appropriation.

#354-08 ALD. COLETTI requesting monthly report on cash and receivable reconciliations by Treasurer and status of Consultant work in Treasurer's Office. [09-30-08 @ 1:54 PM]

ACTION: **HELD 6-0**

NOTE: James Reardon, Treasurer/Collector once again joined the Committee for discussion on this item.

Mr. Reardon provided Committee members and Finance Sub-Committee members with an update on the status of reconciliations in the Treasury Department.

Mr. Reardon stated auditors, Rogers & Sullivan will return next week to complete with him the closing of Fiscal Year 2008. The Treasury Department has completed reconciliation work through September 2008 and the starting for July 1, 2008 has been agreed upon by the Comptroller, Treasury Department and Rogers & Sullivan. The Treasury Department has also been working on the December 2008 and January 2009 reconciliations.

The Committee has been meeting monthly with Mr. Reardon to discuss the status of the Treasury Department. A motion was made to hold this item for further discussions with Mr. Reardon.

#35-09 HIS HONOR THE MAYOR requesting authorization to appropriate and expend thirteen thousand eight hundred sixty dollars (\$13,860) from Budget Reserve to the Information Technology Department for the purpose of purchasing software that will enable downloading of data from MUNIS into Microsoft applications. [01/27/09 @ 6:06 PM]

ACTION: **APPROVED 6-0**

NOTE: Ann Cornaro, Director of Information Technology Department joined the Committee for discussion on this item.

Ms. Cornaro stated this software project is vital for the City of Newton's performance and the Information Technology Department who will be completing this project in cooperation with the consultant who is working on MUNIS in the Treasury Department.

The software from Tyler Technologies MUNIS and the software MUNIS Office will enable various departments to download information from MUNIS into Excel spreadsheets and Word documents. This software will also facilitate reconciliation of accounts receivables and the generation of reports that are needed to be sent to the Board of Aldermen, bond councils and the various people who review financial records for the City of Newton.

Ms. Cornaro stated \$12,375 of this money would pay for the license to use the technology that has been produced and designed by this MUNIS software firm. The additional \$1,485 will pay for maintenance and upgrades of the program.

Committee members agreed that this certainly would allow being an invaluable program to assist the Information Technology, Treasurer and Comptroller Departments in preparation and analysis of the financial data of the City, allowing the transfer of MUNIS information into a Microsoft format, this would produce better documents than QuickBooks, which was used in the past to complete spreadsheets.

Committee members approved this appropriation without debate.

#36-09 HIS HONOR THE MAYOR requesting authorization to appropriate and expend eighteen thousand eight hundred fifty dollars (\$18,850) from Budget Reserve to the Information Technology Department for the purpose of upgrading the Sungard Pentamation Community Plus Software. [01/27/09 @ 6:06 PM]

ACTION: **APPROVED 6-0**

NOTE: Ann Cornaro, Director of Information Technology Department once again joined the Committee for discussion on this item.

Ms. Cornaro provided Committee members with a Pentamation Software Upgrade Costs breakdown sheet dated January 15, 2009. Attached to this report.

Ms. Cornaro stated this software, Sungard Pentamation Community Plus is issued to generate permits, automate plan reviews and track code enforcement. The upgrade to this software would allow for on line capabilities to apply for and pay building and inspectional permits. The upgrade would also provide the automatic creation of receipt batches, which will eliminate the need for data entry in two departments, Inspectional Services and Treasury Departments. The scope of the project includes the conversion of current data, five days of training and the installation of the new software.

The breakdown for this software is as follows:

\$3,750 conversion of the data
\$7,500 training
\$2,000 travel expenses
\$3,000 installation of new programming
\$2,600 license fees

Committee members agreed this software is an absolute necessity to upgrade the City Pentamation software equipment and with the capability of merging Pentamation and Sungard systems the Pentamation software has become as valuable as MUNIS in the Comptrollers Department and various departments to process permit fees and other items on a day to day basis.

Committee members were pleased with Ms. Cornaro's proposal and approved this appropriation without debate.

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

#42-09 HIS HONOR THE MAYOR requesting to appropriate and expend two hundred twenty five thousand dollars (\$225,000) from Bonded Indebtedness to the Building Department for the purpose of replacing a boiler at Angier School.

[01/27/09 @ 6:04 PM]

PUBLIC FACILITIES APPROVED 6-0 on 02-04-09

ACTION: APPROVED 6-0

NOTE: Arthur Cabral, Budget and Project Specialist Public Buildings Department joined the Committee for discussion on this item.

Committee members reviewed a letter and an estimate on the work that needs to be completed for the boiler and related equipment at the Angier School from Nick Parnell, Commissioner of Public Buildings dated January 15, 2009.

In Mr. Parnell's letter, he indicated the new burner would be a combination of oil and gas style. There are three boilers at the Angier School. He stated the existing boiler #1 is over seventy-five years of age, has multiple leaking sections and mud drum nipples and replacement is recommended. There are two other boilers, boiler #3 has the same issues, and boiler #2 has leaking sections, but is currently operational.

Estimate for Boiler and related equipment replacement breakdown is as follows:

Boiler and related equipment Demo	\$25,000
New Boiler and related piping	70,000
Asbestos abatement	35,000
Dual Oil/Natural Gas Burner	27,500
Condensate Return and related boiler room equipment replacement	25,750
Hot water piping replacement	7,500
Design/Contract Administration	23,000
Sub Total	214,000
5% Contingency	10,713
PROJECT COST	224,963
ROUNDED TO	\$225,000

In addition, Committee members reviewed a letter from Arthur Cabral dated February 6, 2009 containing additional information to the possible re-use of the proposed new boiler at another facility when the Angier School is demolished. Mr. Cabral's letter states most of the new boiler sections could be relocated to three school facilities should the Angier School be demolished within the next five to ten years. Should this occur later, the re-use of boiler sections could be problematic and not a cost effective re-use. It is not recommended after fifteen years to change boiler sections due to their frail nature.

Committee members voted for approval without debate.

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

#41-09 HIS HONOR THE MAYOR requesting to appropriate and expend one million dollars (\$1,000,000) from Free Cash for the purpose supplementing the snow and ice budget in the Department of Public Works. [01/27/09 @ 6:05 PM]

PUBLIC FACILITIES APPROVED 5-0-1 (Lennon abstaining) on 02-04-09

ACTION: APPROVED 6-0

NOTE: Thomas Daley, Commissioner Public Works Department joined the Committee for discussion on this item.

Committee members reviewed a letter provided by Mr. Daley dated January 27, 2009 requesting this appropriation for \$1,000,000 of which \$300,000 will cover the cost of salaries and \$700,000 will cover the cost of expenses.

Mr. Daley indicated the current snow and ice account balance is \$36,695. The City has spent (encumbered and to be processed) \$2,371,245 through January 22, 2009 on snow and ice operations.

The breakdown is as follows:

Plow Contractors	\$788,570
Salt/Sand	\$998,243
Labor/Parts/Etc.	\$599,432

An additional letter from Mr. Daley dated January 30, 2009 included the break-out for each storm event this winter including the event, expenses of labor, contractors and salt/sand. As of January 28, 2009, there has been 48" of snow.

It is hopeful, this additional appropriation will carry the Department of Public Works through the remainder of the season.

Committee members voted for approval of this appropriation.

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

#40-09 HIS HONOR THE MAYOR requesting authorization to transfer funds in the Water and Sewer Enterprise Funds. Transferring the funds from MWRA assessments to utilities as follows: Sewer Fund transfer \$53,000; Water Fund transfer \$38,000. [01/27/09 @ 6:05 PM]

PUBLIC FACILITIES APPROVED 5-0 (Lennon not voting) on 02-04-09

ACTION: APPROVED 6-0

NOTE: Thomas Daley, Commissioner Public Works Department once again joined the Committee for discussion on this item.

Committee members reviewed Mr. Daley's letter dated January 22, 2009 indicating he is requesting these transfers to cover projected year-end shortfalls in the Utilities Division gasoline and diesel accounts. The final MWRA assessments for FY09 are lower than budgeted and fuel

accounts are in need of additional funds because of the unusually high costs, approximately 16% higher this year than previously estimated.

Amount of the transfers is broken down as follows:

From sewer assessments	\$53,000
From water assessment	\$38,000
Being transferred	
To sewer expenses	\$53,000
To water expenses	\$38,000

Committee members approved this appropriation without debate.

#38-09 HIS HONOR THE MAYOR requesting authorization to appropriate and expend two hundred seventy six thousand seven hundred twenty five dollars (\$276,725) from Budget Reserve to various departments to supplement gasoline, diesel and heating oil accounts. [01/27/09 @ 6:05 PM]

ACTION: **APPROVED 6-0**

NOTE: Thomas Daley, Commissioner Public Works Department once again joined the Committee for discussion on this item.

Committee members received a letter dated January 27, 2009 from the Executive Department indicating there are deficiencies in seven various departments.

Breakdown is as follows:

	Gasoline	Diesel	Heating Oil	TOTAL
Police Department	\$45,000			\$45,000
Fire Department.....		25,000.....	56,000	81,000
Human Services	600			600
Assessing	500			500
Weights & Measures.....	125			125
Public Works Department		110,000.....	11,500	121,500
Parks & Recreation Department		5,000.....	23,000	28,000
TOTAL	46,225	140,000	90,500	276,725

Committee members reviewed this letter and wanted to know why these deficiencies occurred. It was stated that the City locked in prices for gasoline and heating oil in July 2008, creating a deficiency in these various departments. It is hopeful; next year's price will reflect a market decrease in the cost for gasoline, diesel and heating oil.

Committee members approved this appropriation.

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

#13-09 **HIS HONOR THE MAYOR** requesting authorization to appropriate and expend three hundred eighty-five thousand dollars (\$385,000) from bonded indebtedness to the Public Works Department for the purpose of replacing both the salt shed and the Quonset hut at Crafts Street. [12-30-08 @ 5:04 PM]

PUBLIC FACILITIES APPROVED 4-0-2 (Ald. Gentile and Mansfield abstaining) on 01-07-09

ACTION: APPROVED 2-1-3 (Ald. Gentile opposed; Ald. Parker, Lennon and Freedman abstaining)

NOTE: Thomas Daley, Commissioner Public Works Department once again joined the Committee for discussion on this item.

Ald. Coletti’s expectation is that this item will be on Second Call at the February 17, 2009 Board of Aldermen meeting when he will provide a full report.

Committee members expressed their concerns to Mr. Daley after reviewing a letter dated December 26, 2008 from the Executive Department indicating the plan is to install a single pre-engineered structure to meet the needs of the existing deteriorated structures at the Craft Street yard.

The cost breakdown is as follows:

SALT SHED

Demolition (in-house)	\$	0
Material Disposal		10,000
Site Preparation		35,000
Electrical Work		5,000
Block Foundation		30,000
Structure (by contractor)		200,000
Sub-Total		\$280,000

QUONSET HUT:

Demolition	\$	0
Foundation Preparation		5,000
Electrical Work		5,000
Garage Door		5,000
Structure (by contractor)		80,000
Sub-Total		\$95,000

Plus \$10,000 contingency fee
TOTAL \$385,000

Mr. Daley stated these funds are being requested to replace two wooden salt sheds and one Quonset hut located at the Crafts Street yard. The Quonset hut is approximately seventy years old and is used for the storage of sanders, sweepers and other miscellaneous pieces of winter equipment. The hut has holes throughout the building and no longer provides protection to the

equipment. The footings have rotted over the years and should be re-attached to a concrete footing in order to keep the facility from collapsing.

The Public Works Department sees this item as a top priority for its capital and believes this supersedes the purchasing of additional equipment.

Committee members reviewed photographs provided by Mr. Daley of the current facility and photographs of the new style shed being proposed. Many Committee members asked to take a tour of the facility, before they could support this item one way or another. A site visit is scheduled for Tuesday February 10, 2009 at 4 PM.

Committee members voted to approve this item.

#353-08 ALD. COLETTI requesting monthly report by Executive Office before Post Audit and Oversight Committee on snow and salt expenditure from November 2008 through April 2009. [09-30-08 @ 1:54 PM]

ACTION: **HELD 6-0**

NOTE: Executive Department docketed an additional one million dollars (\$1,000,000) from Free Cash for the purpose of supplementing the snow and ice budget in the Department of Public Works Department. Docket item #41-09.

Committee members reviewed a letter and breakdown from Ryan Ferrara, DPW Chief of Budget and Finance dated February 6, 2009 indicating snow and ice expenditures. His letter covers the winter season through February 6, 2009 and shows an amount of \$2,890,934 spent (expended, encumbered and to be processed) broken down as follows:

Plow Contractors	\$ 913,598
Salt/Sand	\$1,221,445
Labor/Parts Etc.	\$ 755,891

Mr. Ferrara's letter indicates the snow and ice account is currently in deficit of \$482,994.

Committee members held this item to a future date.

#349-08 ALD. COLETTI requesting discussion on preparation and submission of a new Capital Improvement Plan by the Executive Office. [09-30-08 @ 1:54 PM]

ACTION: **HELD 6-0**

NOTE: Ald. Coletti informed Committee members that Susan Burstein, Chief Budget Officer will be providing Committee members with a Capital Improvement Plan on February 13, 2009 for their review.

This item was held so that Committee members may begin reviewing the Capital Improvement Plan when received from Ms. Burstein.

- #207-07(2) ALD. COLETTI proposing that the city's Financial Management Guidelines adopted under board order #207-07 be amended, effective FY10, as follows:
- (A) total resources devoted to all forms of employee compensation shall not exceed the estimated growth in total general fund revenue for the following fiscal year;
 - (B) funds for salary and wage adjustments shall not exceed the difference between total estimated revenue growth and resources needed to fund growth in health/dental and life insurance benefits and growth in the actuarial required contribution for the city's retirement system for each fiscal year;
 - (C) if collective bargaining contracts are not resolved at the time of budget submission, funds budgeted for such contracts shall be held in "municipal and compensation" reserve. [7-2-08 @12:12 PM]

ACTION: **HELD 6-0**

NOTE: Ald. Coletti informed Committee members this item will be held until they can discuss this item with Mr. Pooler and the Executive Department on February 23, 2009.

At approximately, 9:50 pm Ald. Parker moved for adjournment, which was approved 6-0.

Respectfully Submitted,

Paul E. Coletti, Chairman