

CITY OF NEWTON

IN BOARD OF ALDERMEN

FINANCE COMMITTEE REPORT

MONDAY, MARCH 23, 2009

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

Absent: Ald. Parker, Johnson and Gentile

City Staff: Mayor David Cohen, Sandy Pooler (Chief Admin. Officer), Susan Burstein (Chief Budget Officer), Tom Daley (Commissioner of Department of Public Works), Dave Turocy (Deputy Commissioner Department of Public Works), Elaine Gentile (Director of Environmental Affairs Department of Public Works) and Bob DeRubeis (Deputy Commissioner Parks & Recreation Department)

#84-09 HIS HONOR THE MAYOR requesting acceptance of and authorization to expend a State Police Dispatch Grant in the amount of one hundred fifty three thousand three hundred ten dollars (\$153,310) to provide new and upgraded equipment for enhanced 911 service. [03-10-09 @ 4:58 PM]

ACTION: **APPROVED 4-0 (Ald. Schnipper not voting)**

NOTE: Susan Burstein, Chief Budget Officer joined the Committee for discussion on this item.

Ms. Burstein stated the Police Department had applied for this grant in order to provide new and upgraded equipment for an enhanced 911 telecommunications service. The original system was previously withdrawn due to budget cutbacks. The system being installed will not make any outgoing calls (reverse 911), only receiving 911 calls. In the future, the Executive Department hopes to find a reverse 911 service to be used in the City.

Ms. Burstein indicated no new positions would be created using this grant money, the City is only meeting the requirements of personnel using existing costs allowing staff to be supervised and trained while new equipment is being installed. This grant would reimburse the City for this years existing set backs and will be used for revenue short falls this year.

Ald. Salvucci made the motion for approval and the Committee voted in favor by a vote of 4-0.

REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES

#86-09 HIS HONOR THE MAYOR requesting authorization to appropriate and expend one hundred two thousand one hundred twenty-one dollars (\$102,121) from Free Cash for the purpose of supplementing the snow and ice budget in the Parks and Recreation Department. [03-10-09 @ 4:58 PM]

PROGRAM & SERVICES APPROVED 7-0 on 03-18-09

ACTION: **APPROVED 4-0 (Ald. Schnipper not voting)**

NOTE: Bob DeRubeis, Deputy Commissioner of the Parks & Recreation Department joined the Committee for discussion on this item.

Mr. DeRubeis stated the requested appropriation for \$102,121.00 is to cover the costs incurred for tree and snow emergencies from January 19, 2009 to the present. The request is solely for equipment rental, which will bring the equipment rental account to \$57,639.00 enough money for one additional four to seven inch storm.

All other accounts have funds remaining. The breakdown of funds remaining is as follows: \$19,044.45 in the department overtime account, \$9,499.30 in the overtime account for forestry services and \$29,680.87 in the equipment and vehicle rental account for forestry services.

Ald. Coletti made the motion for approval and the Committee voted in favor by a vote of 4-0.

#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 5-0

NOTE: Dave Turocy, Deputy Commissioner Department of Public Works joined the Committee for discussion on this item.

Mr. Turocy provided the Committee with a monthly update report for snow and ice expenditures through March 10, 2009. His report shows an amount of \$3,655,986 spent through March 10, 2009. The breakdown of what has been spent is as follows: Plow Contractors \$1,104,343.00, Salt/Sand \$1,633,416.00 and Labor/Parts/Etc. \$919,227.00.

Ald. Coletti thanked Mr. Turocy for providing monthly reports this year to the Committee. He then made the motion to hold this item for an additional month and the Committee voted in favor by a vote of 5-0.

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

#88-09 HIS HONOR THE MAYOR requesting authorization to appropriate and expend four hundred fifty thousand dollars (\$450,000) from Free Cash to the expense budget in the Department of Public Works and to transfer fifty thousand dollars (\$50,000) from Salaries to Expenses in the Department of Public Works for the purpose of additional cost related to snow and ice control. [03-10-09 @ 4:58 PM]
PUBLIC FACILITIES APPROVED 6-0 on 03-18-09

ACTION: APPROVED 5-0

NOTE: Tom Daley, Commissioner of Department of Public Works and Dave Turocy, Deputy Commissioner Department of Public Works once again joined the Committee for discussion on this item.

Mr. Daley asked the Committee for the following three (3) transfers:

1. \$50,000 from the snow and ice overtime account to the snow and ice–rental vehicle and equipment to partially cover contractor plowing expenses associated with the March 2, 2009 snowstorm.
2. \$125,000 from free cash to the snow and ice–rental vehicle and equipment to pay for the balance of all contractor related costs through March 2, 2009 and other miscellaneous contractor expenses.
3. \$325,000 from free cash to the snow and ice–sand and salt account to pay for all outstanding and projected salts bill through the March 9, 2009 storm.

Mr. Daley stated the City has spent \$3,655,986.00 through March 10, 2009 on snow and ice. Currently there is a deficit of \$173,252.00 in the rental vehicle and equipment account and a deficit of \$322,077.00 in the sand and salt account.

Mr. Turocy stated the order placed for salt and sand in the beginning of March has been cancelled.

Ald. Freedman made the motion for approval and the Committee voted in favor by a vote of 5-0.

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

#58-09 **HIS HONOR THE MAYOR** requesting authorization to enter into a contract for solid waste and recycling collection with Waste Management, Inc. for a term of five years. [02/10/09 @ 4:42 PM]

PUBLIC FACILITIES APPROVED 3-0-4 (Ald. Lappin, Mansfield, Gentile and Lennon abstaining) on 03-04-09

ACTION: APPROVED 5-0

NOTE: Tom Daley, Commissioner of Department of Public Works, Dave Turocy, Deputy Commissioner Department of Public Works and Elaine Gentile, Director of Environmental Affairs Department of Public Works joined the Committee for discussion on this item.

Ald. Coletti referenced a memo he received from Eileen McGettigan of the Law Department, which she stated, “since the last Finance Committee meeting, I have had the opportunity to compare the draft 5-year collection and haul contract against the 2-year contract which expires in June 2010. The contracts are 99% identical in their operating terms. The major changes relate to automated collection and single stream recycling in Article 5. I am now working with DPW staff to formalize the language that was set out in the draft you received and to make sure the inclusion of recycling does not conflict with any other provision in the contract.”

Ald. Freedman asked Mr. Daley what are the pros and cons of the contract going out to for competitive bid. Mr. Daley responded to him with the following answers:

1. One important aspect of moving forward with this contract is that the City now holds a contract with Waste Management until June 30, 2010. Mr. Daley stated if the City does not negotiate a contract with Waste Management, Waste Management would not release the City of the current contract until it expires on June 30, 2010. If the City negotiates now with Waste Management, the City has the ability to save \$800,000.00 to one million dollars this fiscal year, a significant cost savings and the City would be released of the current contract.
2. Newton can negotiate good pricing. Mr. Daley stated a statistic used by the City included fifteen to eighteen surrounding communities and most communities used other competitive companies. Newton found the average cost of removing trash in other communities cost \$78.00 per household. Newton has negotiated a price of \$67.00 per household. Recycling in other communities cost \$63.00 per household. Newton has negotiated a price of \$54.00 per household. Contract prices will have a small increase each year.
3. The City has been working with Waste Management for over twenty-years having a great working relationship. Waste Management knows the City streets, the difficult areas and can provide great service. Waste Management has the capability on a difficult day to bring in extra workers and vehicles if necessary.

Mr. Daley stated trash and recycling in the City has been voted one of the top services the City provides. Waste Management knows the level of quality service the City and residents expect. One statistic used by the Department of Public Works was .08% out of three million stops was logged in as a miss. Other companies may not know what the City and residents expect.

Ald. Lennon asked Mr. Daley what residents would be charged to purchase extra trash, extra recycling carts and bags. Mr. Daley stated some preliminary discussion has taken place and he is making the recommendation for a trash cart in year number cost \$250.00 and \$200.00 each year thereafter. Extra recycling carts will be available at no cost. He recommends bags can be purchased at \$2.00 to \$2.25 each. Initially, residents will be provided one trash and one recycling cart at no cost.

Ald. Salvucci made the motion to approve this item authorizing the Executive Department to enter into a contract for solid waste and recycling collection with Waste Management with an option to go out to public bid in the event the City and Waste Management cannot reach a mutual agreement for a term of five years. The Committee voted in favor by a vote of 5-0.

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

#89-09 **HIS HONOR THE MAYOR** requesting authorization to appropriate and expend two million five hundred sixty thousand dollars (\$2,560,000) from Bonded Indebtedness to the Public Works Department for the purpose of purchasing trash and recycling carts. [03-09-09 @ 3:27 PM]

**PUBLIC FACILITIES APPROVED 5-0-1 (Ald. Mansfield abstaining)
on 03-18-09**

ACTION: APPROVED 3-0-2 (Ald. Lennon and Freedman abstaining)

NOTE: Tom Daley, Commissioner of Department of Public Works, Dave Turocy, Deputy Commissioner Department of Public Works and Susan Burstein, Chief Budget Officer once again joined the Committee for discussion on this item.

Ald. Coletti stated bond counsel has approved the written language in the draft bond without the specifics of the barrel size and quantities. Said bonds shall be issued for a term that does not exceed ten (10) years.

In a back-up letter prepared by Mayor Cohen, dated March 18, 2009 he states it is his intention to purchase 29,000 recycling carts and 24,900 trash carts with these funds consisting primarily of 64-gallon size separately identified for trash and recycling. A small percentage of 35-gallon carts will also be purchased to meet individual citizen needs.

Ald. Lennon expressed his concerns. He asked what exactly the City plans to bond in 2009 and beyond and what is the percentage rate on the interest. He asked Ms. Burstein to provide additional information prior to the Board of Aldermen meeting on April 6, 2009. Ms. Burstein stated she would provide additional information prior to the meeting and once she has additional information, it would become a more realistic plan. She stated it is the City's intention to sell bonds beginning on April 1, when she would be able to provide a more definite answer and update the plan to Board members on the interest rate of the 97 million dollars worth of debt the City will be selling. Ms. Burstein indicated she expects a reasonable premium on the rates since interest rates have decreased. The plan is to save money by borrowing high school debt sooner in order to capitalize on the rates. Ald. Freedman supported Ald. Lennon but would also like to receive this information from Ms. Burstein prior to the April 6, Board of Aldermen meeting.

Ald. Coletti made the motion for approval and the Committee voted in favor by a vote of 3-0-2, Ald. Lennon and Freedman would be abstaining on the motion for approval pending additional information from Ms. Burstein.

#348-08 ALD. COLETTI requesting discussion on the Executive Department submission of a new 5-year forecast for FY2010 budget preparation. [09-30-08 @ 1:54 PM]

ACTION: **HELD 5-0**

NOTE: Sandy Pooler, Chief Admin. Officer joined the Committee for discussion on this item.

Mr. Pooler provided members with a very brief update indicating board members will be receiving a copy of the budget on April 21, 2009.

Ald. Coletti made the motion to hold this item for Committee members to continue receiving updates from the Executive Department and Board members to receive this budget. Committee members voted in favor by a vote of 5-0.

#351-08 ALD. COLETTI requesting discussion on the status of School Building Authority reimbursements to the City of \$46.6 million for the Newton North High School project. [09-30-08 @ 1:54 PM]

ACTION: **NO ACTION NECESSARY 5-0**

NOTE: Sandy Pooler, Chief Admin. Officer once again joined the Committee for discussion on this item.

Committee members reviewed David Wilkinson, Comptroller report, dated March 19, 2009. After reviewing the report, Ald. Coletti made the motion No Action Necessary and the Committee voted in favor by a vote of 5-0.

REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES

#85-09 HIS HONOR THE MAYOR requesting authorization to appropriate and expend twenty-six thousand seven hundred fifty dollars (\$26,750) from Cable receipts for the purpose of purchasing equipment for the TV studio at Newton North High School. [03-10-09 @ 4:59 PM]

**PROGRAM & SERVICES APPROVED 6-0-1 (Ald. Brandel abstaining)
on 03-18-09**

ACTION: **APPROVED 5-0**

NOTE: Committee members reviewed materials received from Michael Kruse, Director Department of Planning and Development dated March 10, 2009.

Ald. Freedman provided the Committee with a brief overview from the Program & Services meeting held on March 18, 2009. Ald. Freedman indicated this request of \$26,750.00 from cable receipts would be used for the purpose of purchasing equipment to put together a functional studio at Newton North High School with the capability of broadcasting at New TV. He indicated all equipment would be portable, easy to relocate to the new school; the equipment could be used in coordination with Newton South High and used wherever necessary. He also commented that the equipment being purchased is reasonably priced at mid-level costs and the cameras are not fancy. Ald. Freedman indicated the program being offered at Newton North High School has been successful, a popular course choice by students. Newton South students and the administration are not as interested in this program but Principal Jennifer Price will make the program course available to Newton South students if desired.

Ald. Freedman made the motion for approval and the Committee voted in favor by a vote of 5-0.

At approximately, 8:50 pm Ald. Salvucci moved for adjournment, which was approved 5-0.

Respectfully Submitted,

Paul E. Coletti, Chairman