

CITY OF NEWTON

IN BOARD OF ALDERMEN

FINANCE COMMITTEE REPORT

MONDAY, APRIL 28, 2008

Present: Ald. Coletti (Chairman), Lennon, Schnipper, and Gentile

Absent: Ald. Johnson, Parker, Salvucci and Freedman

Others Present: Alice Ingerson (Community Preservation Program Manager), Judy Jacobson, Charlie McMillan, Wally Bernheimer, Doug Dickson; Dave Wilkinson (Comptroller), Susan Burstein (Chief Budget Officer), Ryan Hanson (Assistant Library Director), Tom Daley (Commissioner of Public Works), Marie Lawlor (Assistant City Solicitor) and
Library Trustees: Beth Wilkinson, Audrey Cooper, Alberta Costa, and Len Goldberg

Under no formal docket item, the Finance Committee met with Alice Ingerson (Community Preservation Program Manager), Judy Jacobson, Charlie McMillan, Wally Bernheimer and Doug Dickson for a thirty-minute review and analysis.

Discussion began with the current CPA fund expenditures, the program as it is currently being administered by Alice Ingerson, the Planning Department and the members of the Community Preservation sub-committee.

In the process of the discussion, the committee was concerned about two items. First, was the number of projects that have not been completed that were initial projects in the first year of the program such as the burial ground project. Second, the concern was many of the projects have not been completed or anticipated to be initiated which the requirements are in each of the Board Orders. Board Orders require the unspent funds to be returned to the program.

Ms. Ingerson advised the committee on the various projects and the expenditures of their funds. Ms. Ingerson agreed to return to the Finance Committee in the future to continue the review of these two items.

The committee was dismayed when they heard members involved in the Community Preservation Program terms would be ending.

The committee thanked Ms. Ingerson and took the opportunity to thank members for their years of dedication and hard work in their fine work assisting the City with the Community Preservation Act and overseeing the many worthy projects that have been accomplished.

A memorandum from Ms. Ingerson is attached to this Finance report.

#156-08 HIS HONOR THE MAYOR requesting an appropriation of funds from Wage Reserve and Free Cash for the purpose of supplementing various department's payroll accounts. [4-15-08 @6:34 PM]

ACTION: **APPROVED 4-0**

NOTE: A letter dated April 15, 2008, from the Executive's office was submitted to the committee indicating that due to various reasons there were short falls in about nine various City department accounts. Ranging from \$800.00 to approximately \$20,000.00 in the fire department payroll account. There was also a short fall in the amount of \$12,800 in the Law Department.

His Honor the Mayor proposed a total of \$85,159.00 be transferred from wage reserve in the amount of \$72,359.00 and \$12,800 for the Law Dept. from free cash in order to supplement these accounts.

Without debate, the committee moved approval.

#157-08 HIS HONOR THE MAYOR requesting an appropriation of eight thousand eight hundred eighty dollars (\$8,880) from the Budget Reserve to the severance account in the Human Resources Department for terms of severance agreements that exceed the originally budgeted amount. [4-15-08 @6:35 PM]

ACTION: **APPROVED 4-0**

NOTE: A letter dated April 15, 1008, was submitted to the committee from the Executive's office. There are severance agreements that exceed the original budget amount in the Human Resources Department. This specific money is for one specific severance agreement.

The committee moved approval without hesitation.

#158-08 HIS HONOR THE MAYOR requesting a transfer of fifteen thousand one hundred dollars (\$15,100) from the Comptroller's personnel account to the audit fee account. [4-15-08 @6:33 PM]

ACTION: **APPROVED 4-0**

NOTE: A letter dated April 15, 2008, from the Executives office was received by the committee also with a letter from Dave Wilkinson, Comptroller. Board Order #115-08 that was approved by the Board of Aldermen on April 7, 2008 authorizes a five year extension of the Cities current audit agreement with the firm Sullivan, Rogers and Company.

The Comptrollers office is responsible for \$74,600.00 of the annual audit fee of \$70,000.00. \$4,600.00 for the federal grant will be spent in the Medicaid grant fund program. This total amount represents the \$15,100.00 increase in the amount budgeted for this purpose, therefore,

the Comptroller requested this transfer. The funds are available due to the Comptroller not requesting authorization to fill the Deputy Comptroller position this year. As a result, funds are available to be transferred to supplement this audit fee amount for this year.

The committee clearly understood the increase fee for the special audits performed by Sullivan, Rogers and Company as a transfer.

Motion was made for approval without hesitation.

#159-08 HIS HONOR THE MAYOR requesting a transfer of sixteen thousand dollars (\$16,000) from the pension account to the health benefits account in the water fund. This transfer aligns the benefit costs for the current and former employees in this fund. [4-15-08 @6:33 PM]

ACTION: **APPROVED 4-0**

NOTE: The committee received a letter dated April 14, 2008 from the Executive Department and a letter dated March 20, 2008 from Tom Daley, Commissioner of Public Works. This \$16,000.00 is coming from the water enterprise account into a water service connection health insurance account.

The Comptroller's office is projecting the year-end surplus in the non-contributory pension benefits line item and a short fall in the health insurance line item. More individuals than anticipated have taken advantage of the health insurance benefits in the FY'08 necessitating this transfer.

The committee understood the requirements of transferring this account to align the necessary expenditures.

Motion was made to approve without hesitation.

#359-07(2) HIS HONOR THE MAYOR requesting acceptance of and authorization to expend a gift of fifteen thousand dollars (\$15,000) from the Newton Conservators for the purpose of funding the balance of the fifty thousand dollars (\$50,000) Crystal Lake Master Plan development. [4-15-08 @6:33 PM]

ACTION: **APPROVED 4-0**

NOTE: Revenue status report was provided by the Comptroller's account indicating \$15,000.00 was received as a gift. His Honor the Mayor is now requesting money from the Newton Conservators to be appropriated to Crystal Lake Master Plan development.

The \$15,000.00 has been received and the money is now being appropriated in the \$50,000.00.

The committee without debate approved this item.

#160-08 HIS HONOR THE MAYOR requesting an appropriation of nine thousand seven hundred eighty two dollars and thirty-one cents (\$9,782.31) from Budget Reserve for settling a claim that arose out of a motor vehicle accident in which a City truck struck another vehicle causing damage to the private vehicle. 4-15-08 @6:34 PM]

ACTION: **APPROVED 4-0**

NOTE: Letters from the Law Department dated April 14, 2008 and a letter from Daniel Funk dated March 18, 2008 were submitted to the committee.

March 18, 2008 letter indicates that on December 3, 2007 a Department of Public Works employee operating a snowplow truck with sander was moving back and forth to clear snow in a large intersection on Wendell Road. While backing up the City driver failed to notice a pick up truck from Patriot Disposal Company was stopped behind the plow about thirty feet in the middle of the intersection. The driver of the pickup truck made attempts to the City truck by sounding its horn and flashing its lights, but the City truck continued backing up and caused extensive front-end damage.

Patriots Disposal's insurance company, Zurich American has made a claim to the damage of the Dodge pick up truck.

The amount requested has been reviewed internally and appears to be reasonable since the City plow backing up was the cause of the accident. The Law Department believes this item shall be approved.

With little debate, the committee agreed to settle this agreement and pay for the out-of- pocket expenses to repair the Dodge pickup truck.

#161-08 HIS HONOR THE MAYOR requesting an appropriation of fifteen thousand two hundred forty-six dollars (\$15,246) from Free Cash for the purpose of funding payments to the East Middlesex Mosquito Control Project (EMMCP) to conduct mosquito larva control in catch basins to control the spread of West Nile Virus. [4-15-08 @6:34 PM]

ACTION: **APPROVED 4-0**

NOTE: David Naparstek received a letter dated December 11, 2007 from East Middlesex Mosquito Control Project indicating the Newton catch basins have to have an application of a special spray called Altosid applied. This spray destroys the larvae.

The employer's seasonal workers who have permits from the Massachusetts Pesticide Bureau allows them to apply the larvicide's application to the catch basins. Bicycles would be the primary mode of transportation to apply these applications. Workers would carry a photo identification card proving they are an employee of East Middlesex Mosquito Control Project.

East Middlesex Mosquito Control will contact the Newton Public Works Department Project to prevent conflicts with catch basin cleaning and the application of the larvicide . The East Middlesex Mosquito Control Project staff will provide oversight to the application. This procedure has been an effective tool to control the mosquitoes spreading the West Nile Virus.

The City has had the spraying done each year and is very effective. The work is scheduled to begin in June 2008.

The Committee made motion for approval without hesitation.

REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES

#162-08 HIS HONOR THE MAYOR requesting an appropriation of twenty nine thousand dollars (\$29,000) from Budget Reserve for the purpose of supplementing the Newton Library Overtime accounts. [4-15-08 @6:35 PM]

ACTION: APPROVED 4-0

NOTE: Ryan Hanson, Assistant Library Director joined the committee this evening with five library trustee members. The library department requested this money for the overtime accounts so that in order for the library to remain open on Sundays there is obviously an increase in cost. In the past vacant positions allowed money to be transferred into the overtime account, in this instance there has not been a significant number of retirements therefore, the account is short funded between now and the end of the year.

The committee moved motion to approval without hesitation.

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

#167-08 HIS HONOR THE MAYOR requesting a transfer of two hundred twenty six thousand one hundred sixty dollars (\$226,160) from the MWRA charges to Bond Maturities in the sewer fund. [4-15-08 @6:33 PM]
PUBLIC FACILITIES APP. 6-0-1 (Ald. Lennon abstaining) on 4-23-08

ACTION: APPROVED 4-0-1 (Ald. Lennon abstaining)

NOTE: Ed Spellman, Treasurer forwarded the committee a letter dated April 15, 2008, indicating that the Massachusetts Water Resource Authority Inflow/Infiltration local assistance program provides over \$221 million in grants and interest-free loans to all of the communities in order to assist in this project.

The city received the proceeds from the most recent phase of its Inflow/Infiltration program on June 14, 2007, because these funds were received earlier than anticipated the FY'08 water and sewer budget neglected to include payment of the first year principal of this program phase which was due by May 15, 2007.

The FY'09 water and sewer budget includes payment for the second installment of this loan and funds are available from transfer from the MWRA assessment line. Since the budget at MWRA wholesale charge was \$540,000.00 lower than the final sewer wholesale charge therefore the money is being moved from one account into another in order to assist in the payment of the bond maturities in the sewer fund.

Based on the explanation from the Treasurer and Comptroller, the committee made motion for approval.

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

#168-08 HIS HONOR THE MAYOR requesting an appropriation of two hundred thirty nine thousand one hundred ten dollars (\$239,110) from Free Cash for the purpose of supplementing the snow and ice budget in the Department of Public Works. [4-15-08 @6:34 PM]

PUBLIC FACILITIES APPROVED 7-0 on 4-23-08

ACTION: APPROVED 4-0-1 (Ald. Coletti abstaining)

NOTE: Two letters were received by the committee. One letter dated April 15, 2008 from the Executive's office and a letter dated March 24, 2008 from Tom Daley, Commissioner of Public Works.

Mr. Daley's letter indicated that there were four accounts which needed additional money for the end of the year.

Vehicle and Equipment Rental Account: This account indicates additional funds were needed to cover expenses associated with March 1, 2008 snowstorm. The total payment due to the contractors for March 1st storm was \$89,176.00. This new appropriation of \$81,141.00 was for this purpose.

Vehicle Repair Parts Account: The DPW garage currently has \$18,981.00 in pending bills and is projected to need an additional \$20,000.00 for repairs of the snow removal and sander equipment, therefore, actually is appropriating \$38,980.00 in to this account.

Salt and Sand Account: This account indicates 21,233 tons of salt was delivered to the City through March 6, 2008 pending any additional snow fall or ice. The DPW will refrain from ordering any more salt for the remainder of this fiscal year. As a result their salt and sand fund is in deficit by \$107,689.00.

Construction Equipment: In the spring of 2007, Department of Public Works purchased two large construction vehicles. The vehicles were initially slated to be sold to another municipality and fitted out to those communities specifications. The Department of Public Works was able to purchase these vehicles at a discount when the other community failed to purchase these trucks.

Each truck includes a salt distribution system. The manufacturer was different than the standard model, which is utilized by the City of Newton's DPW. There had been numerous operations to the system which was outfitted to these trucks. Therefore, this \$11,300.00 is to outfit these trucks with the compost spread system the City uses.

The committee had no problem with this item although the Chair of the committee made various comparisons between this year's total snow accumulation of 52" and prior years.

The Chair discussed with Commissioner Daley specific information which is attached to the Finance Committee Report showing the various snowstorms from November 20, 2007 through March 1, 2008. The report also shows FY'08 total annual snow amounts, the total cost of snow removal and cost per inch. It was indicated through the analysis of these reports that this year the City spent significantly more money in snow removal than would have been anticipated based on the usual snow removal efforts.

The committee expressed its concern in the event if we continue to be this aggressive in snow removal efforts the appropriate amount of money must be accounted for in the operating budget of the Public Works Department. Unfortunately, the process used today involves significant deficit spending when these snow events occur. There is very little control by the Board of Aldermen through either Public Works Department, Public Facilities Committee or the Finance Committee on understanding the extent of the cost for snow removal.

Mr. Daley assured the committee that the opportunity to discuss both the budget for snow and ice removal, and the salt and sand budgets including application for the salt and sand according to the City ordinance, which requires three parts sand to one part salt.

Most importantly, a communication mechanism that allows for the reporting to either the Chair of Public Works or Chair of Finance Committee when Public Works goes into deficit spending, in order for the Board of Aldermen to have an update to the total snow expenditures made for various storms when DPW is in fact in deficit.

The committee made the motion for approval.

The committee adjourned at approximately 9:45 pm.

Respectfully Submitted,

Paul E. Coletti, Chairman