



Finance Committee Report

City of Newton In City Council

Thursday, September 28, 2023

Present: Councilors Grossman (Chair), Malakie, Humphrey, Norton, Gentile, Oliver, Kalis

Absent: Councilor Noel

Also Present: Councilors Albright, Lucas, Laredo, Greenberg, Ryan and Crossley

City staff present: Chief Financial Officer Maureen Lemieux, Senior Financial Analyst Perry Rosenfield, Senior Financial Analyst Connor Roach, Comptroller Stephen Curley, Assistant City Solicitor Andrew Lee, Superintendent of Newton Public Schools Anna Nolin, Assistant Superintendent of Newton Public Schools Liam Hurley, Assistant Chief of Newton Fire Department Mike Bianchi, Director of Senior Services Mignone Murray, and ADA Coordinator Jini Fairley.

#273-23 Authorization to accept and expend the sum of five thousand dollars (\$5,000) and to accept two pieces of artwork for the Department of Senior Services
HER HONOR THE MAYOR requesting authorization to accept and expend the sum of five thousand dollars (\$5,000) and to accept two pieces of real property (artwork) for the Department of Senior Services.

Action: **Finance Approved 6-0 (Councilor Gentile Not Voting)**

Notes: Director of Senior Services Mignone Murray presented to the Committee the request to accept and expend the sum of \$5,000 and to accept two pieces of real property (artwork) for the Department of Senior Services. Director Murray explained to the Committee that the pieces of artwork have been appraised, and they need to keep them as art in the Senior Services department for the next 3 years. She also explained that they are allowed to sell them after 3 years if they should so wish. The pieces are worth about \$23,000 and \$10,000 respectively.

Councilor Humphrey motioned to approve which passed 6-0 (Councilor Gentile not voting)

#274-23 Authorization to appropriate and expend \$10,831.12 from Handicapped Parking (H-P.) Fines-Disability Commission Receipts Reserved for Appropriations Account to supplement funds being used at Williams Elementary School
HER HONOR THE MAYOR requesting authorization to appropriate and expend ten thousand, eight hundred, thirty-one dollars and twelve cents (\$10,831.12) from Handicapped Parking (H-P.) Fines-Disability Commission Receipts Reserved for Appropriations Account 5500-335518 to supplement funds being used at Williams Elementary School to purchase and install accessible play equipment and accessible picnic tables in the school playground.

Action: **Finance Approved 7-0**

Notes: ADA Coordinator Jini Fairley presented to the Committee the request for authorization to appropriate and expend \$10,831.12 from Handicapped Parking (H-P.) Fines-Disability Commission Receipts Reserved for Appropriations Account 5500-335518 to supplement funds being used at Williams Elementary School to purchase and install accessible play equipment and accessible picnic tables in the school playground.

It was explained to the Committee that the plan for the school is still being worked on, and it could change as they see fit. The Williams School made the Commission on Disability aware of a new spring program at the school that will have six new students with high disabilities.

Superintendent Anna Nolin added that the Williams School population has grown in terms of students who would need this equipment. She said she agrees with this school being prioritized because they want those students to have the same kind of experience that other children would have in their elementary school.

Councilor Gentile motioned to approve the item which passed unanimously 7-0.

#275-23 **Requesting authorization to accept and expend the sum of \$427,454.54 from an Assistance to Firefighter Grant**
HER HONOR THE MAYOR requesting authorization to accept and expend the sum of four hundred twenty-seven thousand, four hundred fifty-four dollars and fifty-four cents (\$427,454.54) from an Assistance to Firefighter Grant (AFG) through the Department of Homeland Security/FEMA. The grant funding awarded is going to be used by the Newton Fire Department to conduct Officer Training courses, Health and Wellness, RIT Training, to purchase new RIT Packs and a new cascade breathing air system.

Action: **Finance Approved 7-0**

Notes: **Deputy** Chief of the Newton Fire Department Mike Bianchi presented to the Committee the request for authorization to appropriate and expend the sum of \$427,454.54 from an Assistance to Firefighter Grant (AFG) through the Department of Homeland Security/FEMA. The grant awarded will be used by the Newton Fire Department to conduct Officer Training courses, Health and Wellness, RIT (rapid intervention) Training, to purchase new RIT Packs and a new cascade breathing air system.

Deputy Chief Bianchi explained to the Committee that this will help set up a class to have about 20 more trained in the safety officer program. The training would focus on looking at the big picture of safety of the firefighters working in a hazard, such as fighting fires throughout a dark night. Another thing this grant would support is the health and wellness program, in which Deputy Chief Bianchi explained to the Committee that they don't have the exact ideas of what they going to do as of now, but it will address things such as exercise, healthy cooking, healthy eating, body scans, stress management, etc.

Councilor Oliver motioned to approve the item which passed unanimously 7-0.

#306-23 Establish and Appropriate funds to an Operations Booster Stabilization Fund
HER HONOR THE MAYOR requesting authorization to Establish an “Operations Booster Stabilization Fund” to pay for a portion of the annual general fund appropriations for the City’s pension system; appropriate the sum of \$20,500,000 Overlay Surplus as declared by the City’s Board of Assessors to the Operations Booster Stabilization Fund; and transfer the sum of \$5,513,000 from Acct 01C10701-576300 Appellate tax Board Interest and Penalties Fund to the Operations Booster Stabilization Fund. Finance Denied Motion to Approve Subject to Second Call 3-4-1 (Councilors Humphrey, Malakie, Oliver and Noel Opposed, Councilor Gentile Abstaining) on 9/11/2023 City Council voted to recommit to the Finance Committee 22-2-2 (Councilors Grossman and Kalis opposed and Councilors Markiewicz and Norton Absent) on 09/18/2023
Finance Denied Motion to Approve Subject to Second Call 3-4-1 (Councilors Humphrey, Malakie, Oliver and Noel Opposed, Councilor Gentile Abstaining) on 09/11/2023

Action: **Finance Held 5-2 (Councilors Grossman and Norton Opposed)**

Notes: Chief Financial Officer Maureen Lemieux joined the Committee to discuss the request for authorization to Establish an “Operations Booster Stabilization Fund” to pay for a portion of the annual general fund appropriations for the City’s pension system; appropriate the sum of \$20,500,000 Overlay Surplus as declared by the City’s Board of Assessors to the Operations Booster Stabilization Fund; and transfer the sum of \$5,513,000 from Acct 01C10701-576300 Appellate Tax Board Interest and Penalties Fund to the Operations Booster Stabilization Fund.

Maureen Lemieux explained to the Committee that the purpose of the proposed stabilization fund is to try to relieve pressure on the general fund. She added that she believes this fund will allow the City to create an ongoing funding source for the Newton Public Schools over the next 8 years, while the City is fully funding the pension system based on the funding schedule as voted on by the Newton Retirement Board. It was explained that the proposed plan for the stabilization fund has not changed since the Committee met on 09/11/23 on this item.

Superintendent Anna Nolin also joined the Committee. She shared with the Committee that during last evening’s School Committee meeting, the School Committed voted to adopt a resolution, which is included in the backup material for this report. She added that the administration of the Newton Public Schools is in support of this plan and would greatly accept any funds possible to enhance the operations of the Newton Public Schools.

Assistant City Solicitor Andrew Lee answered a question from the Committee regarding whether a stabilization fund must remain open for 3 years if established. Given that the proposed fund before us would be funded through a single appropriation, there's nothing in the law that prohibits the City from terminating a stabilization fund that was created at any time. The three year provision refers to a stabilization fund which would be funded through an ongoing revenue stream, and requires

acceptance of a chapter of the Mass General Laws which Newton has not adopted. That provision is not relevant to the proposal before us now.

CFO Lemieux addressed the question whether the administration has considered applying some of this \$26mm to the recent list of infrastructure projects, both school and non-school related, that Commissioner Morse generated. Ms. Lemieux answered that the administration has not looked at applying this \$26 million towards these projects. The Mayor and her team are still convinced that the proposed stabilization fund plan is a good plan for the City, and they would like to see this plan move forward. The Mayor will be coming to the Council with recommendations for using free cash towards some of those projects.

Attorney Lee addressed a question regarding whether the money proposed from this plan to be transferred to the City side can be used only for operating items, and not for capital items. Once the funds are transferred into the general fund, they are treated like general fund monies. They are not earmarked for any particular purpose once they are in the general fund.

Councilors made the following comments:

Some Councilors voiced a recommendation to come up with alternative language in this plan that achieves the same objectives, without tethering it together in a way that takes away the fund's flexibility.

Some Councilors expressed concerns that there is no guarantee that the school budget or the city budget are going to go up by any percentage. It would potentially be very easy for a future Administration to play with this money any way it sees fit. The different Councils over the next 8 years will be hamstrung in their ability to do anything about it without a two-thirds vote, and it is believed that this gives up a lot of power.

Some Councilors expressed the opinion that students have really suffered over the last several years and continue to, and there are a lot of needs that are not being funded. It was expressed that this is a very sensible way of demonstrating the City's values in funding the pensions and funding the schools.

Some Councilors also expressed the opinion that they are very impressed with the approach that Superintendent Nolin has taken with communicating and meeting with parents on transparency, and they are very much looking forward to the future communications about school dollars.

Some Councilors asked Ms. Lemieux to take the feedback from the meeting to the Mayor, and ask the Mayor if she would be willing to consider changes to her plan.

Councilor Kalis motioned to hold the item which passed 5-2 (Councilors Grossman and Norton Opposed).

Respectfully submitted,

Rebecca Walker Grossman, Chair