



# Finance Committee Report

## City of Newton In City Council

**Tuesday, October 10, 2023**

Present: Councilor Grossman (Chair), Oliver, Norton, Kalis, Malakie, Gentile, Noel, and Humphrey

Also Present: Councilors Lucas, Downs, and Laredo

City Staff: Chief Financial Officer Maureen Lemieux, Senior Financial Analyst Perry Rosenfield, Senior Financial Analyst Connor Roach, Comptroller Stephen Curley, Chief Operating Officer Jonathan Yeo and Workers Compensation and Safety Manager Kelly Brown

### **#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 Held 5-2 (Councilors Grossman and Norton Opposed) on 09/28/23**

#### **Action:**

**Finance Denied 5-3 (Councilors Grossman, Norton and Kalis 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.

The meeting began with Chair Grossman reviewing the questions Councilor Kalis had laid out at the conclusion of the 9/28/23 meeting, which summarized some of the main concerns raised by members of the Committee. After reviewing the questions, the Chair gave Chief Financial Officer Maureen Lemieux the opportunity to address them.

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The location of this meeting is accessible and reasonable accommodations will be provided to persons with disabilities who require assistance. If you need a reasonable accommodation, please contact the city of Newton’s ADA Coordinator, Jini Fairley, at least two business days in advance of the meeting: [jfairley@newtonma.gov](mailto:jfairley@newtonma.gov) or (617) 796-1253. The city’s TTY/TDD direct line is: 617-796-1089. For the Telecommunications Relay Service (TRS), please dial 711.

Councilors Kalis's questions went as follows:

1. What would happen if the school population declined, and the City does not need to spend 70% of the funds on schools one year. Can this money be spent elsewhere?
2. Is there a different mechanism to use other than a stabilization fund that would provide fewer restrictions?
3. How do we know this fund won't replace the school budget's yearly increase?

Chief Financial Officer Maureen Lemieux said that future administrations and City Councils should come together to review and change allocations in this fund if they choose to do so. She added that if a future Council decides to do this, it will require a 2/3 vote from the Council to change the purpose of these dollars and to approve spending. She added it takes a simple majority vote from the Council to put more money into the stabilization fund.

Chief Financial Officer Maureen Lemieux continued to explain that the only way an account can keep the interest that it earns is for it to be established in the form of either a stabilization or a trust fund. She added that if we established a reserve fund instead, during each of the next eight years, the City could in theory calculate how much interest was believed to be earned on the cash held in the fund and could docket an item each year to take the interest out of the general fund and put these funds into the reserve fund.

Councilor Humphrey discussed his memorandum regarding the proposed Stabilization Fund with the Committee. The Chair then gave Chief Financial Officer Maureen Lemieux the opportunity to respond.

Chief Financial Officer Maureen Lemieux responded by reiterating the purpose of the Stabilization Fund. She continued to explain to the Committee that the administration made a conservative estimate to arrive at the figure of \$22,000,000 that the Newton Public Schools can expect to receive from the Stabilization Fund over the next eight years.

Chief Financial Officer Maureen Lemieux went on to explain that the budget will not increase because of the city's Eversource settlement. She continued to explain that the city will now receive \$800,000 a year in tax revenue from Eversource because they will no longer be contesting their annual bill.

Chief Financial Officer Maureen Lemieux addressed the idea of slowing down the pension contributions by renegotiating with the Retirement Board to extend the funding date. She added that this is not within the administration's purview, and that the Retirement Board ultimately has full autonomy on this decision.

Chief Financial Officer Maureen Lemieux noted the impacts of climate change, and the effects it is having on neighboring communities, and the importance of having our Rainy Day fund. She added that when the pandemic started several years ago, FEMA announced that they would expedite the reimbursable funds to municipalities, but the City has not received any of these funds yet.

Chief Financial Officer Maureen Lemieux addressed the proposal that the City should spend this money

Mayor have listened to all these suggestions very carefully, but in the end do not agree with changing this plan.

Chief Financial Officer Maureen Lemieux explained to the Committee that the City has been extremely fortunate to have the amount of free cash accrued this year. She continued to say that the administration is looking forward to coming to the Council and city personnel with a list of the highest uses that the City should use the free cash funds on.

Councilors asked the following questions:

Q: If things do change over the next year, and the Council wants to use this money a different way, does it take a 2/3 vote from the Council to allocate these dollars?

A: Yes. It takes a 2/3 vote from the Council to change the purpose of these dollars and to approve spending. It takes a simple majority vote from the Council to put more money into a stabilization fund.

Q: Can we move interest earned from this fund into free cash?

A: We can't move interest earned to free cash during the year while the fund is earning interest. Interest earned would drop to next year's free cash, and then the money could be moved around.

Q: Is there no flexibility from the administration regarding the original structure of the Operations Booster Stabilization Fund?

A: We are not coming to you tonight with a change in the original plan.

Q: Without the fund, would the City still be able to earn interest and spend money on schools?

A: Yes. The City can still earn interest and could opt to allocate more free cash into next year's budget if the Mayor chose to pursue that route.

Q: Chief Financial Officer Maureen Lemieux has previously expressed to this Committee that the administration has no intention of tapping into the Rainy Day fund short of a major emergency. Has this policy changed?

A: It has not. The administration has no intention of using the Rainy Day fund short of a major emergency.

Q: Why does the administration think it is problematic to spend money upfront, or at least a significant portion up front?

A: The City has almost \$28 million in free cash. Because this is more free cash than the city anticipated having, the City can use this free cash for one-time items. Knowing that the City will have to increase the pension funding by about \$24 million over the next 8 years, it is believed that setting this fund up will

provide relief as the City gets closer to difficult fiscal years ahead.

Q: If we deny this item tonight, what will the administration do with these funds?

A: The administration will go back and look at some of the one-time items. The Mayor will want to speak with the Council, the City's department heads, the School Committee and school administration to figure out next steps.

Councilors made the following comments:

Councilors voiced the opinion that they appreciate the idea of putting this large amount of money in a separate fund but have concerns regarding this fund tying up the ability of future administrations and Councils to move this funding in different proportions for different years.

Councilors shared the opinion that this plan is too restrictive, and questioned if this plan will lead to financial progress for Newton Public Schools over the next eight years.

Councilors voiced the opinion that this money could go into a reserve fund, including specific language that includes the ability to spend on City operations and capital expenditures.

Councilors raised the question about the amount of money schools are requesting, and why this fund needs to be tied to schools given how the enrollment analysis shows projections of enrollment declining.

Councilors raised the concern that if the plan is rejected, the council will be rejecting a funding source for Newton Public Schools for the next 8 years.

Councilor Gentile motioned to deny, which was approved 5-3 (Councilors Grossman, Norton and Kalis Opposed).

**#325-23 Request to transfer \$50,000 from Water Services Connections – Full Time Wages**  
HER HONOR THE MAYOR requesting authorization to transfer and expend the sum of fifty thousand dollars (\$50,000) from Acct # 60A40105-511002, Water Services Connections – Full-Time Wages, to Acct #67A109D2-572500, Workers Compensation Water – Claims and Settlements, in order to settle Worker's Compensation claim # WC003360.

**Note: A motion for Executive Session may be entertained**

**Action:** Finance Approved 8-0

**Notes:** Chair Grossman introduced an amendment for this next item to change account designation to Acct #67A109D2-572500, Workers Compensation Water – Claims and Settlements.

Councilor Humphrey motioned to amend the item as reflected above, which passed unanimously.

Chair Grossman announced the next item may be heard through an execution session. The purpose of the executive session is to discuss strategy with respect to litigation matters, in accordance with the provisions of Mass General Laws Chapter 38 sections 21(3) to discuss strategy with respect to collective bargaining or litigation if an open meeting may have a detrimental effect on the bargaining or litigating position of the public body.

Executive sessions are closed to the public and the committee will not reconvene in an open session.

The Clerk completed the roll call vote 8-0 to enter into an executive session.

The Committee adjourned at 8:45PM.

**Respectfully submitted,**

**Rebecca Walker Grossman, Chair**



**To:** Finance Committee  
**From:** Councilor Humphrey  
**Date:** October 6, 2023  
**RE:** Regarding proposed operations booster stabilization fund

**Analysis:** The proposed operations booster stabilization fund over 8 years is not only extremely fiscally conservative in its assumptions, but it is also too pessimistic and is likely to create a self-fulfilling prophecy. If services continue to crumble from insufficient investment surges and if the NPS funding gap continues to widen, the chances of growing our city revenues permanently, from future override referenda or new growth, diminish. Any proposal ought to be aimed at rapidly restoring public confidence that the city is heading in the right direction and at visibly improving things that are falling apart. Some of this has been addressed with ARPA funding allocations this calendar year, but it has not gone far enough or quickly enough.

There has been discussion of the possibility of a "fiscal cliff" if too much one-time funding is used over too short of a period of time, but we are only trying to bridge a gap of eight fiscal years until the pensions pre-funding has been completed. Not only do we have extraordinary levels of one-time funding now (fairly likely to continue for at least one more fiscal year), but we should also want to get the city politically to a point where voters are willing to approve an operational funding override in between now and 2032. A proposal that makes this less likely, and assumes one will never pass, is making a worst-case scenario more likely, not less likely.

Additionally, Newton has options to ease a potential crunch between now and 2032, if we are willing to stop thinking inside one particular box. Many communities slow down their contributions and extend the self-imposed deadline closer to the state deadline as they approach full funding. This would buy additional general fund resources back in a particularly challenging year towards the end of the eight years. "Guidelines" around the use of the Rainy Day Stabilization Fund can also be relaxed temporarily as a "break glass in case of emergency" situation before the completion of pension pre-funding, if it is actually necessary to avert a fiscal cliff for a couple of fiscal years, rather than tying up tens of millions of dollars in a fund that is anticipated to "never" be used under any circumstance. There is little point in using the Rainy Day account to buy a higher bond rating if we've let the city fall apart in the meantime. Those funds can be replenished later.

One time funds and short-term revenues can be deployed in a fiscally responsible manner in short bursts of funding surges and operational coverage over the coming 8 years, whether or not there is significant new growth from development. This is especially true in view of recent repeated underestimates of revenues by a significant margin.

It is not necessary to lock in fiscal choices inflexibly over multiple Mayoral terms. Whoever holds the Mayor's office in the next two terms should have choices on how to manage the final six year crunch period.

**Proposal:** Below is an alternative proposal for the one-time funds of \$26 million from Eversource and unanticipated interest income, with a roughly 67% or 70% split in favor of NPS...

**Funding Surge:** FY24-26 (i.e. immediate, not starting next fiscal year) short-term funding surges, to complete the rest of this Mayoral term and get caught up on deferred maintenance:

- NPS Charter Maintenance rises to \$5 million per year for 3 fiscal years (\$800,000 more per year for \$2.4 million total new money) -- but the School Committee must level-fund their baseline charter maintenance for the fiscal years to qualify for this extra money, or some similar mechanism. This will improve working and learning conditions and boost community morale and confidence.
- Public Buildings Sub-75K Projects budget grows to \$3 million per year for 3 fiscal years (\$1.14 million more per year, which is \$3.42 million total new money) -- this will visibly improve quality of life in little ways around the entire city.
- Triple the DPW traffic calming/road safety projects budget to \$1.05 million per year for 3 fiscal years (for \$2.1 million total new money) -- we get these public requests constantly and can't keep just doing one project per year, and we need to do more

than just a few random bumpouts. This will shift public opinion to the city moving in the right direction on key safety priorities. These projects also tackle citywide congestion by smoothing out traffic flows better at complex intersections and other locations. (As a reminder, ARPA funds are being currently deployed toward paving projects more generally, so this is a specifically different proposal.)

- Surge the Parks & Rec Fields Maintenance budget to \$1 million per year for 3 fiscal years (\$700,000 more per year for a total of \$2.1 million in total new money) This would help get more grass fields back to good condition and faster. This will save resources longer-term.
- Fully fund NewMo at the prior highest service levels for 3 years to continue developing the service and buy us time to develop a permanent financing plan (I think without grant funding this is around \$1 million new money altogether for 3 years, but I am not sure precisely. The line item said something like \$350,000 to \$275,000 in various years and I don't know if that included grants or not)

Projects & maintenance catch-up is an especially good use of interest income because the inflation and rate changes that created that money have also eaten away at the purchasing power of dollars going to maintenance and projects.

**NPS Operations:** FY25-27 operational funding:

- 100% of remainder of the \$26 million to supplement NPS allocations over 3 fiscal years, potentially could be supplemented with additional funding from other free cash reserves. (If there's an argument for longer than 3 years that is fine, but 8 years is too long, even if it's based on getting to the 2032 pensions cutoff.)
- This amount should entirely close the NPS budget gap for 3 fiscal years, and then (if there still has not been an override passed or significant new growth) the Mayor and Superintendent and School Committee in the next Mayoral term can make appropriate decisions on whether to make cutbacks or continue strategically deploying one-time funds (or tap into other funds) in the remaining years of pressure during pension pre-funding. The goal is to get to 2032 if that year doesn't get pushed out further. But making pre-emptive cutbacks now, especially to critical intervention and catch-up programs to address learning effects from the recent pandemic does not make sense.
- Just as we have obligations to our retirees (which we are in no danger of failing to meet), we also have obligations to our students and to our educators now.
- Any interest earned on the funding earmarked for the surges can also be applied to the longer-term operational plan.
- Other one-time funding sources coming in this year and probably next year that can potentially be used to top this off for even longer, but let's start with this amount for this duration.

**Final observations:** Any proposal needs to be completely disentangled from the pensions and not based in any way on pension contribution figures. That's a dealbreaker. It should be re-docketed since the original docket item mentions pensions.

There are multiple pathways to fiscal responsibility with City of Newton and NPS resources and obligations. Politics cannot be separated from the long-term health of city finances, and they shouldn't be. NPS deserves enough funding and the current proposal on the table is not enough. As a City Councilor, I am also keenly aware that we need to avoid cannibalizing funding to city-side services as a means to provide sufficient funding to NPS for operations and maintenance, but we are in a fiscal position where that is not the problem currently facing us.

Sincerely,  
Bill Humphrey  
Newton Ward 5 Councilor

	Free Cash from FY18	Free Cash from FY19	Free Cash from FY20	Free Cash from FY21	Free Cash from FY22	Free Cash from FY23**
Revised Revenue Budget	\$ 394,361,438	\$ 412,457,674	\$ 429,629,606	\$ 436,050,274	\$ 463,823,290	\$ 478,981,145
Actual Revenues	\$ 404,965,063	\$ 424,438,459	\$ 435,779,981	\$ 447,324,111	\$ 493,466,882	\$ 499,323,238
Difference	\$ 10,603,625	\$ 11,980,785	\$ 6,150,375	\$ 11,273,837	\$ 29,643,592	\$ 20,342,093
Use of Fund Balance*	\$ 30,798,742	\$ 29,223,016	\$ 27,524,518	\$ 26,197,906	\$ 32,141,560	\$ 50,219,125
Revised Operating Budget	\$ 425,160,180	\$ 441,680,690	\$ 457,154,124	\$ 462,248,180	\$ 495,964,850	\$ 529,200,270
Actual Expenses	\$ 404,843,437	\$ 420,437,201	\$ 433,674,874	\$ 437,829,563	\$ 466,305,286	\$ 493,930,373
Encumbrances carried forward	\$ 17,714,513	\$ 18,773,007	\$ 17,729,941	\$ 19,121,129	\$ 26,642,603	\$ 30,274,964
Unobligated Balance	\$ 2,602,230	\$ 2,470,482	\$ 5,749,309	\$ 5,297,488	\$ 3,016,961	\$ 4,994,933
<b>Free Cash Certified for following 7/1</b>	<b>\$ 11,909,715</b>	<b>\$ 11,706,532</b>	<b>\$ 7,381,282</b>	<b>\$ 12,931,618</b>	<b>\$ 28,860,460</b>	<b>~\$22M estimate</b>
<b>DETAIL OF FIGURES OF NOTE:</b>						
City Turnback	\$ 2,601,881	\$ 2,468,955	\$ 5,748,833	\$ 5,297,252	\$ 3,016,841	\$ 4,994,705
School Turnback	\$ 349	\$ 1,527	\$ 476	\$ 236	\$ 120	\$ 228
Unobligated Balance Turned Back	\$ 2,602,230	\$ 2,470,482	\$ 5,749,309	\$ 5,297,488	\$ 3,016,961	\$ 4,994,933
City Revised Operating Budget	\$ 182,379,095	\$ 190,343,079	\$ 200,861,281	\$ 205,189,188	\$ 221,401,219	\$ 244,909,220
School Revised Operating Budget	\$ 219,850,596	\$ 231,383,410	\$ 238,065,689	\$ 244,455,563	\$ 254,508,285	\$ 261,552,696
Special Appropriations	\$ 22,930,489	\$ 19,954,201	\$ 18,227,154	\$ 12,603,429	\$ 20,055,346	\$ 22,738,354
Revised Operating Budget:	\$ 425,160,180	\$ 441,680,690	\$ 457,154,124	\$ 462,248,180	\$ 495,964,850	\$ 529,200,270

In FY22, we received \$29.6M over budgeted revenues. The main drivers were the Eversource/NStar personal property tax payment (\$7.2M personal property tax, \$4.6M interest) as well as other prior year tax payments coming in higher than normal. This brought our Property Taxes in at \$13.1M over budget and Interest and Penalties in at \$5.1M over budget. SPED Medicaid reimbursements came in about \$1.8M higher than budgeted. Licenses and Permits also had a record year and came in at \$4.2M over budgeted. There was also a \$2.1M payoff of a deferred Pilot program (unbudgeted), as well as a few other revenue sources coming in over budget, but also some categories under budget.

In FY23, we received about \$20.3M over budgeted revenues. The main drivers were \$8.4M in interest/investment income over budget as interest rates skyrocketed from the prior years' rates. We also received about \$5M more in Property Taxes over budget, as the result of prior year taxes being paid. Licenses and Permits had a another record year, exceeding the budgeted revenues by \$4.6M. Meals, Hotels and Cannabis taxes also came in \$1.7M over budgeted revenues.

Free Cash is determined by a multitude of things, but excess revenues and turned back money from the Operating budget are the key drivers. Accounts Receivable, Deferred Revenues, and cash deficits in other accounts (i.e. Grant accepted, meaning we can spend funds, but the City was not in receipt of that Cash at year end) also play a major roll in determining the Free Cash

\*Use of Fund Balance includes the use of Free Cash, Overlay Surplus and Fund Balance Reserved for Encumbrances carried forward to balance the Operating Budget. For example, FY19's Use of Fund Balance figure is a combination of the \$17.7M of encumbrances carried forward from FY18 plus \$11.4M used in Free Cash

\*\*FY23 Figures in RED will change as we work through the year end close process



Operations Booster Stabilization Fund  
as Proposed by  
Mayor Ruthanne Fuller



City Council Finance Committee  
September 11, 2023

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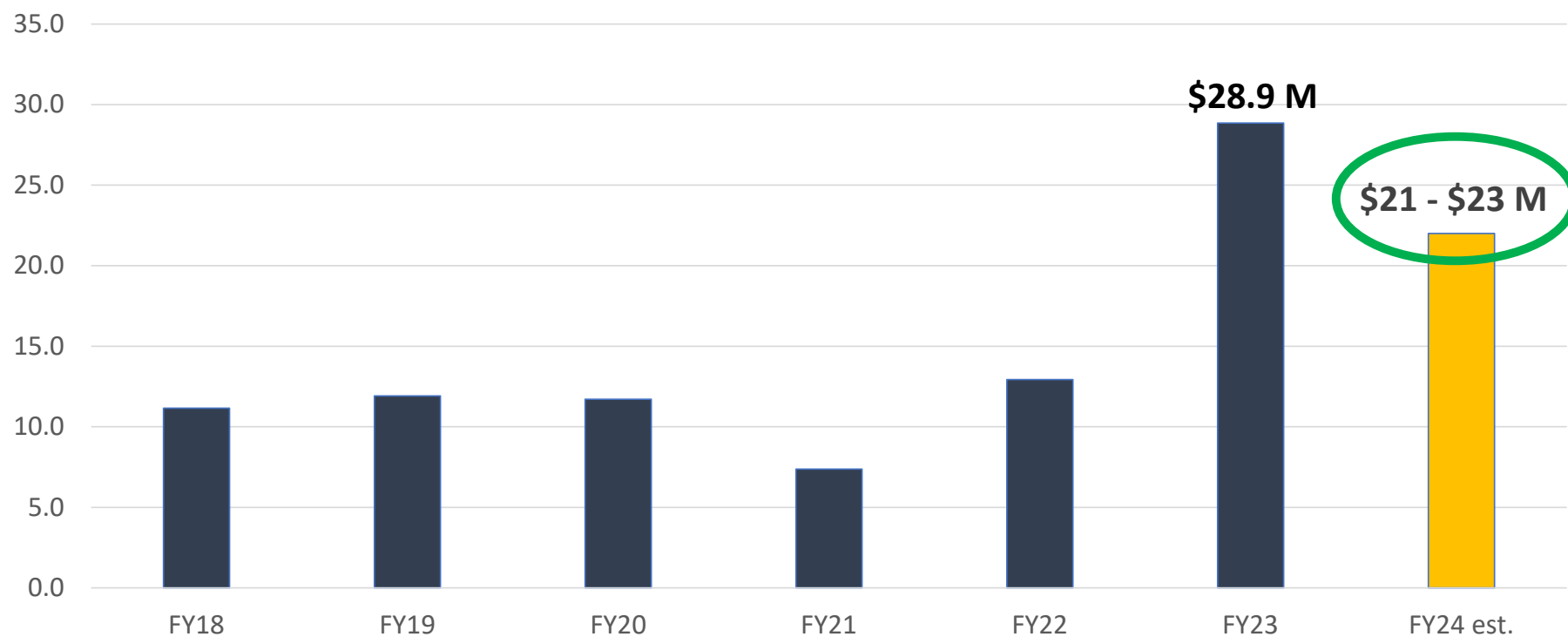
# **Recent Financial Developments - Overlay Surplus & Free Cash**

## Overlay & ATB Interest Funding

☐ Overlay Surplus declared by Board of Assessors	\$20.5 M
☐ ATB Interest released	\$ 5.5 M

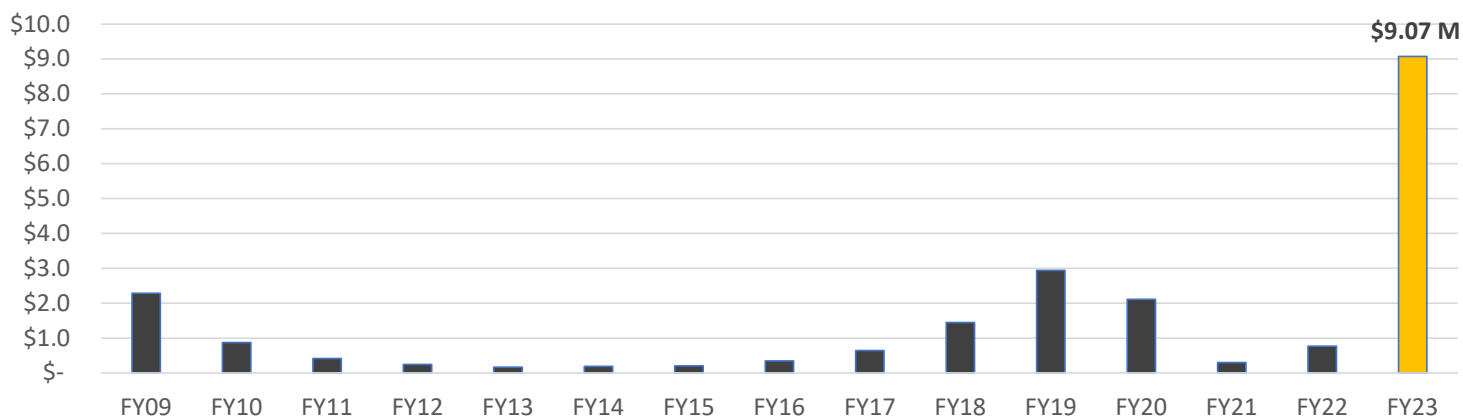
Operations Booster Fund - \$26.0 M

## Free Cash (\$ Millions) FY2024 Forecast \$21 - \$23 M



## Sources of FY2024 Free Cash

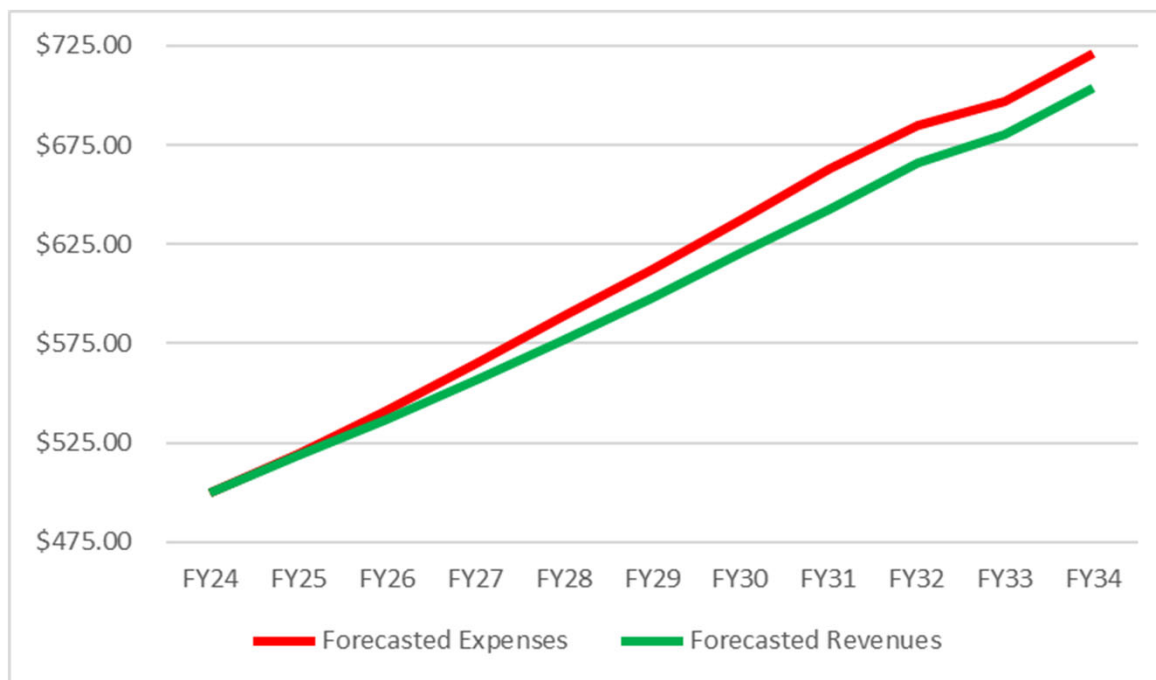
- ☐ FY2023 Carry Forward – Retroactive Wages, Legal Settlements \$5.4 M
- ☐ FY2023 Interest Income – Actual to Budget Variance \$8.4 M



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# **FY2025 – FY2034 Projected Revenue & Expense Forecast**

## Projected General Fund Revenues & Expenses FY25 – FY34 Long Range Plan September 5, 2023



Projected GAP Grows to \$19.9 M in FY2031

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# **Our Pathway Forward**

## **Operations Booster Stabilization Fund**



Operations Booster Stabilization Fund  
Allows us to Accomplish 3 Things Simultaneously

**Relieve Pressure on City Finances**

so that we can

**Boost Funding for NPS Operations**

while

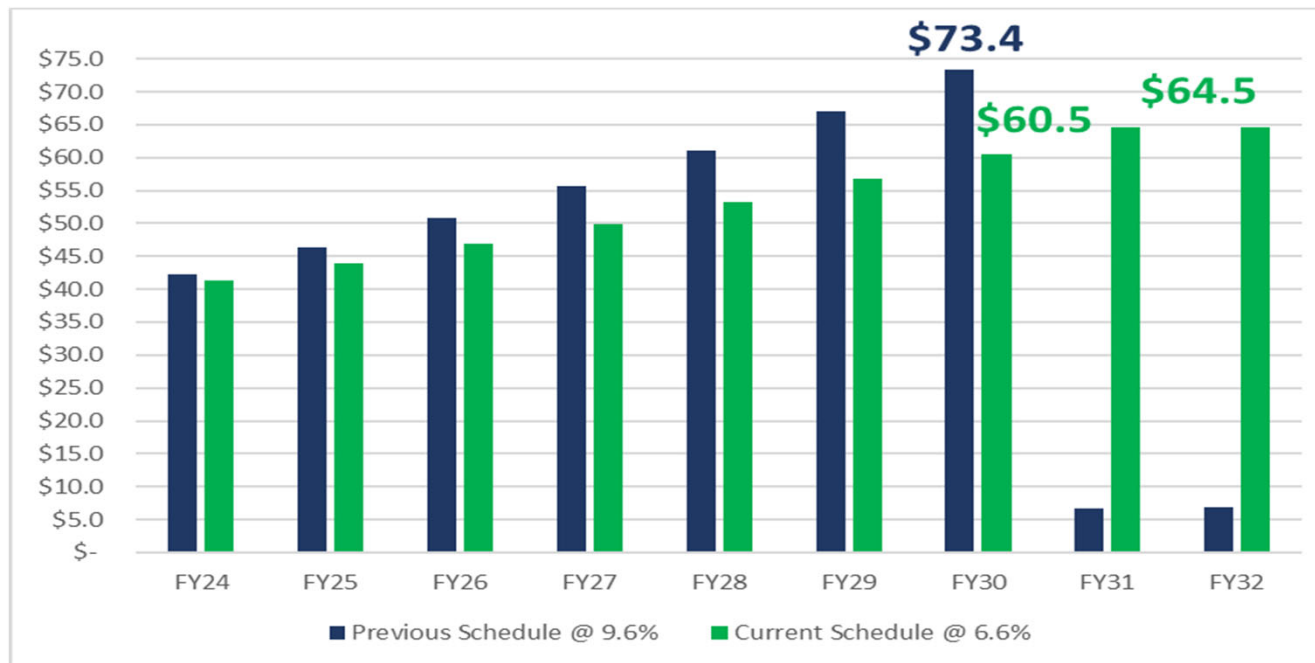
**Maintain Current Pension Funding Schedule**

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# Relieving Pressure on City Finances

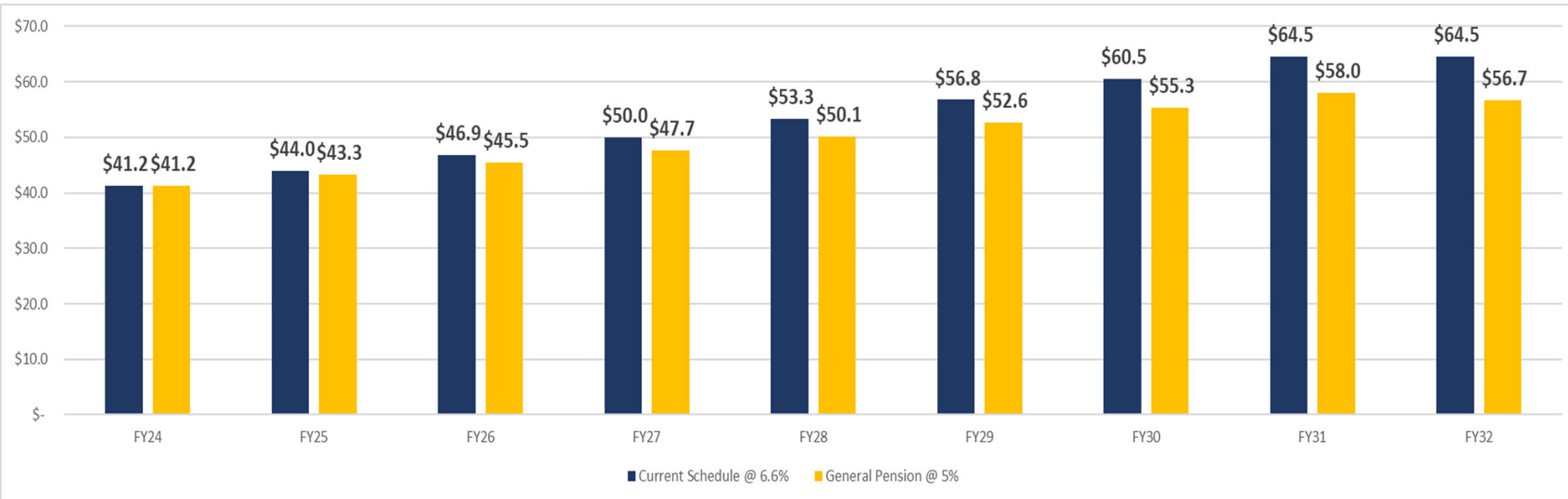
# Comparison of Pension Funding Schedules

(\$ millions)



# Request to Relieve Pressure on City Finances

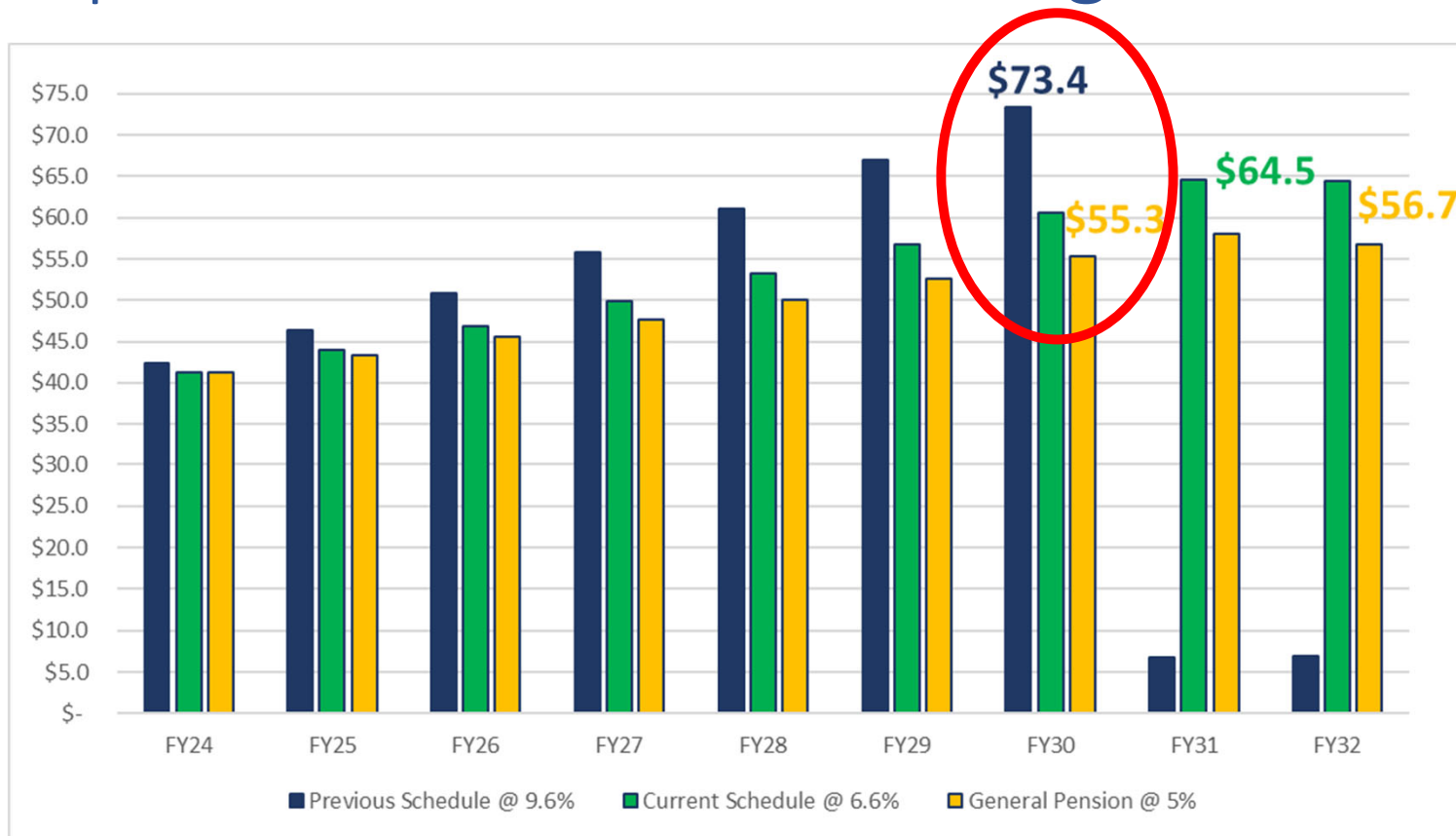
(\$ millions)



## Annual General Fund Relief to be Re-Purposed

\$0M      \$0.7M      \$1.4M      \$2.3M      \$3.2M      \$4.2M      \$5.2M      \$6.5M      \$7.8M

# Comparison of Pension Funding Schedules



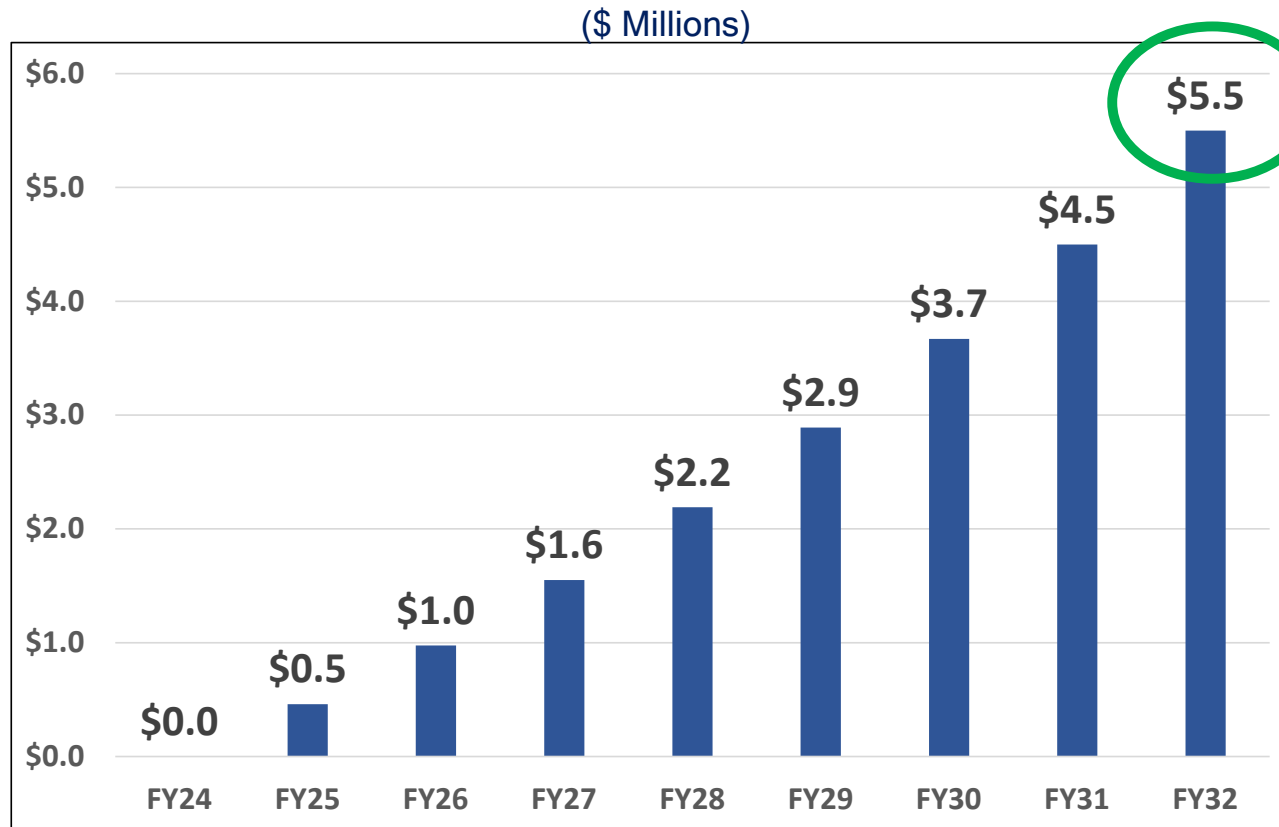
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## **Supporting the NPS Budget**

## Commitment to Newton Public Schools FY2024 Budget Initiatives

	<u>One-Time</u>	<u>Permanent</u>
<input type="checkbox"/> \$10 M Free Cash - reduce Lincoln-Eliot required debt service		\$ 600,000
<input type="checkbox"/> \$1.4 M “Bridge Grant” increase cost of out-of-district placements	\$1,400,000	
<input type="checkbox"/> \$580 K Free Cash - NPS legal settlements	\$ 580,000	
<input type="checkbox"/> Extended pension system full-funding date by 1 year to free up funding for Horace Mann add/reno – debt service budget		\$ 1,300,000
<input type="checkbox"/> Reduced Medicare Part B Expenses for NPS in FY2024		\$ 650,000
<input type="checkbox"/> Transferred \$3.182 M OPEB costs from NPS budget, saving 2% incr/yr		\$ 60,000++
<input type="checkbox"/> Allocated \$410,000 ARPA funds for FY24 NPS facility maintenance projects	\$ 410,000	
<input type="checkbox"/> <b>TOTAL FY2024 ONE-TIME AND PERMANENT BUDGET ENHANCEMENTS</b>	<b>\$ 2,390,000</b>	<b>\$ 2,610,000</b>
<input type="checkbox"/> Additional Medicare Part B reduction of \$325,000 in FY2025		\$ 325,000
<input type="checkbox"/> Transferred \$3.182 M OPEB costs from NPS budget, saving 2% incr/yr		\$ 60,000++
<input type="checkbox"/> <b>TOTAL FY2025 PERMANENT BUDGET ENHANCEMENTS</b>	<b>\$ 2,390,000</b>	<b>\$ 2,995,000</b>

# Newton Public Schools Additional Funding Operations Booster Stabilization Fund



**Additional Funds to NPS ≈ \$21.7 M**



Operations Booster Stabilization Fund  
Allows us to Accomplish 3 Things Simultaneously

**Relieve Pressure on City Finances**

so that we can

**Boost Funding for NPS Operations**

while

**Maintain Current Pension Funding Schedule**

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# Discussion

CITY OF NEWTON

IN CITY COUNCIL

, 2023

In accordance with the recommendation of the Finance Committee through its Chair Rebecca Walker Grossman, it is hereby ORDERED:

- I. That there shall be a stabilization fund established under Massachusetts General Laws Chapter 40, Section 5B, called the "Operations Booster Stabilization Fund." The purpose of the Operations Booster Stabilization Fund shall be to relieve pressure on the City of Newton's finances, boost funding for Newton Public School's operations, and free up general funds to assist the City with fully funding the pension system over the next eight (8) fiscal years by: 1. Funding the Newton Public Schools budget each year for the next eight (8) fiscal years in an amount equal to seventy percent of 1.6% of the City's annual general fund increase in pension appropriations; and 2. Transferring into the City's general fund appropriation each year for the next eight (8) fiscal years an amount equal to thirty percent of 1.6% of the City's annual general fund increase in pension appropriations.

Any alteration of the purpose of the Operations Booster Stabilization Fund set forth herein shall require a two-thirds (2/3) vote of the City Council.

- II. That the sum of five million five hundred thirteen thousand dollars (\$5,513,000) be and is hereby transferred from the Appellate Tax Board Interest and Penalties account and the sum of twenty million five hundred thousand dollars (\$20,500,000) is appropriated from the Overlay Surplus as declared by the City's Board of Assessors to the Operations Booster Stabilization Fund.

FROM:	Overlay Surplus (0001-3220) .....	\$20,500,000
	ATB Interest and Penalties..... (0110701-576300)	\$5,513,000
TO:	Operations Booster Stabilization Fund (5910-490001) .....	\$26,013,000

Under Suspension of Rules  
Readings Waived and Adopted

EXECUTIVE DEPARTMENT

Approved:

(SGD) \_\_\_\_\_  
City Clerk

(SGD) RUTHANNE FULLER  
Mayor



RUTHANNE FULLER  
MAYOR

# City of Newton, Massachusetts

Office of the Mayor

RECEIVED  
2023 SEP 28 AM 10:02

CITY CLERK  
NEWTON, MA. 02459

325-23  
Telephone  
(617) 796-1100

Telefax  
(617) 796-1113

TDD  
(617) 796-1089

E-mail  
[rfuller@newtonma.gov](mailto:rfuller@newtonma.gov)

September 27, 2023

Honorable City Council  
Newton City Hall  
1000 Commonwealth Avenue  
Newton Centre, MA 02459

Councilors:

I respectfully submit a docket item to the Honorable Council requesting authorization to transfer and expend the sum of \$50,000 from Acct# 60A40105-511002, Water Service Connections – Full-Time Wages, to Acct# 67A109D2-515201, Water Fund Employee – Worker's Compensation, in order to settle Worker's Compensation claim # WC003360.

I've included a memo from Kelly Brown, the City's Worker's Compensation Manager, to explain in further detail. She will also be available to answer specific questions, in Executive Session.

Thank you for your consideration of this matter.

Sincerely,

A handwritten signature in black ink that reads "Ruthanne Fuller".

Ruthanne Fuller  
Mayor



325-23

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**CITY OF NEWTON, MASSACHUSETTS**  
DEPARTMENT OF HUMAN RESOURCES

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Ruthanne Fuller, Mayor  
Michelle Pizzi O'Brien Director

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## Interoffice Memorandum

**To:** Maureen Lemieux  
**From:** Kelly Brown- WC Manager  
**Date:** September 6, 2023  
**Re:** Docket Request to settle WC Claim # WC003360 Date of Injury 9/13/2016

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Worker's Compensation Manager, Kelly Brown and our Defense Council Mary Ann Calnan of CFP Law respectfully request approval to appropriate to settle WC claim WC003360 date of Injury 9/16/216 for \$ 50,000. The plaintiff's Lawyer will receive 15% off the top \$ 7500.00 and the plaintiff will receive \$42,500.

The appropriation will be from the Workers Compensation General fund WC fund Budget code 67A109D2--515201 Municipal-Water budget.

I respectfully ask for an appropriation of \$50K to pay this when the lump sum paperwork comes in as it is a sound business decision based on the potential case exposure and unpredictability of the Department of Industrial Accidents appeals process.

CITY OF NEWTON

IN CITY COUNCIL

DRAFT

ORDERED:

That, in accordance with the recommendation of the Finance Committee through its Chair Rebecca Walker Grossman, authorization to transfer the sum of fifty thousand dollars (\$50,000) from Acct # 60A40105-511002, Water Service Connections – Full – Time Wages, to Acct # 67A109D2-572500, Workers Compensation Water – Claims and Settlements, in order to settle Worker’s Compensation Claim # WC003360 is hereby approved as follows:

FROM:	Water Service Connections – Full – Time Wages (60A40105-511002) ..... \$50,000
TO:	Workers Compensation Water – Claims and Settlements (67A109D2-572500)..... \$50,000

Under Suspension of Rules  
DRAFT

(SGD) CAROL MOORE  
City Clerk

(SGD) RUTHANNE FULLER  
Mayor

Date: \_\_\_\_\_