

CITY OF NEWTON

IN BOARD OF ALDERMEN

FINANCE COMMITTEE REPORT
SPECIAL MEETING

MONDAY, JANUARY 31, 2005

Present: Ald. Coletti (Chairman), Gerst, Linsky, Gentile, Stewart, Schnipper and Lipof

Absent: Ald. Parker

Also Present: Ald. Danberg; David Wilkinson (Comptroller); David Naparstek (Health Commissioner); Fran Towle (Commissioner, Parks and Recreation); Bob DeRubeis (Deputy Commissioner; Parks and Recreation), Chief Joseph LaCroix (Fire); Brian Connolly (DPW)

CHAIRMAN'S NOTE: *The Committee began its work this evening with a formal presentation by the Sullivan and Rogers Company of the Comprehensive Annual Financial Report and the Management Letter Review. (Copies of these two documents were distributed to all Aldermen on January 14th – additional copies are available through the Comptroller's office)*

This is the first year of a five year contract with the Sullivan and Rogers Company. They are auditors that are quite familiar with the City of Newton (Chris Rogers used to be a partner in the firm of Powers & Sullivan, the company that performed the city's audit for 6 years prior to the hiring of KPMG).

Basically, the reports showed that the City ended FY04 with \$5 million in Free Cash. The Comprehensive Annual Financial Report was prepared by David Wilkinson, so any questions regarding that document should be directed to the Comptroller.

The Committee was pleased that, with the help of a consultant, the Treasurer's office has made progress in correcting the system of cash reconciliation (although there is still some work to be done in that area). The auditors did present a copy of a fraud policy and guidelines (distributed to all Aldermen on January 28th) that they recommended the City should consider implementing.

Sandy Pooler, Chief Budget Officer, indicated that meetings will be held in order to review this and establish a fraud alert policy.

After completing the presentation and review of materials relative to the FY04 audit, the Committee voted unanimously to accept the Comprehensive Annual Financial Report and Management Letter.

REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES

#16-05 HIS HONOR THE MAYOR requesting an appropriation in the amount of \$22,528 from Budget Reserve for the purpose of allowing the Health Department to pay for the 1,024 flu vaccinations the Department and the Visiting Nurses Association administered on November 22, 2004.

PROG. & SERV. APPROVED 4-0 ON 1/19/05

ACTION: APPROVED AS AMENDED 7-0

NOTE: David Naparstek, Health Commissioner, was present this evening. He explained that, due to the shortage of flu vaccine availability throughout Massachusetts, the City found it necessary to enter into a partnership with the Visiting Nurses' Association in Boston. The state did not supply Newton with the necessary amount of flu vaccine, so, as a result, the City covered the costs of the vaccines it was able to acquire as best as they could at the time. It is now necessary to request these funds in order to replenish funds in the Health Department budget for the remainder of FY05. Commissioner Naparstek also presented the attached memo that indicates that the amount of funds needed to accomplish this is a lower amount than originally anticipated. Therefore, he requested that the amount of this appropriation be reduced to \$22,528.

With that understanding (and the hope that next year's flu season will see the City with ample vaccine supply from the State, the Committee voted 7-0 to approve the amended amount for this appropriation.

CLERK'S NOTE: Because the amount approved on 1/19 by the Programs and Services Committee was amended this evening by the Finance Committee, it will be necessary to poll the Programs and Services Committee on the floor of the Board on 2/7 in order that Committee reports will reflect approval of the same total for this appropriation.

#15-05 HIS HONOR THE MAYOR requesting an appropriation in the amount of \$14,000 from Budget Reserve for the purpose of settling a claim against the City resulting from a motor vehicle accident between a Police Department cruiser and a private automobile.

ACTION: HELD 7-0

NOTE: Assistant City Solicitor Donnalyn Kahn is handling this claim. The Law Department informed the Clerk's office today that Ms. Kahn was not available to attend this evening's meeting. Therefore, the Committee voted 7-0 to hold this item.

REFERRED TO PROGRAMS & SERVICES & FINANCE COMMITTEES

#29-05 HIS HONOR THE MAYOR requesting authorization to appropriate and expend **\$645,195** from Budget Reserve for the purpose of funding current and future snow and ice and tree emergency expenses in the Parks and Recreation Department.

PROG. & SERV. APPROVED 4-0 ON 1/19/05

ACTION: APPROVED AS AMENDED 7-0

NOTE: Fran Towle, Commissioner of Parks and Recreation, and Bob DeRubeis, Deputy Commissioner of Parks and Recreation, were present this evening. They presented two letters requesting a total of \$645,195 which provided an analysis of funds spent thusfar on snow and ice control (the second letter, which is attached to this report, was received on 1/28 and distributed in the weekly packet for review by all Aldermen).

The snow equipment rental account is significantly over budget, followed by the snow overtime and tree equipment rental accounts. The original request (which was approved on 1/19 by the Programs and Services Committee was for \$321,000, but that was before the blizzard of '05 and the subsequent smaller storm after that.

The amended request for this appropriation should provide the department with ample funding to cover the cost of two more 4-7 inch snowstorms.

The Committee looked closely at the backup information provided. Although the Committee was concerned that such a large amount of funds is needed for control of snow and ice thusfar this winter, the need is clearly demonstrated. Therefore, the Committee voted 7-0 to approve this appropriation, as amended, for the total of **\$645,195**.

CLERK'S NOTE: Because the amount approved on 1/19 by the Programs and Services Committee was amended this evening by the Finance Committee, it will be necessary to poll the Programs and Services Committee on the floor of the Board on 2/7 in order that Committee reports will reflect approval of the same total for this appropriation.

#25-05 HIS HONOR THE MAYOR requesting authorization to appropriate and expend twelve thousand eight hundred twenty dollars (\$12,820) from the Capital Stabilization Fund for the purpose of allowing the Fire Department to purchase 16 new computers. The Department has received a grant for the computers, and when the grant is received the funds will revert back to the Capital Stabilization Fund.

NOTE: Please see attached letter dated 1/21/05.

ACTION: APPROVED 7-0

NOTE: Chief LaCroix joined the Committee this evening. He explained that the new computers will be compatible with the state-run emergency operations center and other necessary software. These will replace the majority of the computers in the Department. The old computers will be distributed to other locations in the city through the IT Department.

The Chief explained that these funds were given to the City as part of a Local Preparedness Grant program from the Department of Homeland Security. When these funds are actually received, they will be placed back into the Capital Stabilization Fund for future appropriation.

Since this is just a temporary expenditure to allow the Fire Department to obtain these computers, the Committee voted 7-0 to approve this request.

#26-05 HIS HONOR THE MAYOR requesting authorization to appropriate and expend twelve thousand nine hundred twenty-seven dollars (\$12,927) from Budget Reserve for the purpose of supplementing various equipment repair accounts for the Fire Department.

ACTION: **APPROVED 7-0**

NOTE: Chief LaCroix explained that this supplemental appropriation will cover emergency repairs to ladder #2 (which has a leak in its extension piston in the ladder as well as another piston) totaling \$6,000; a new transmission (\$5,800) for the bucket truck used by the Wires Division (which is the only means by which the City can gain access to do cable work); and cab support and other structure repairs for engine #10 (over \$1,000); and equipment adjustments on the new engine #3.

The Committee understood the need for this work, and voted 7-0 to approve this request.

#27-05 HIS HONOR THE MAYOR requesting acceptance of a donation of a used ambulance from American Medical Response to the Fire Department, which will use it as a tactical support unit and to transport certain special equipment.

ACTION: **APPROVED 6-0 (Lipof not voting)**

NOTE: Chief LaCroix explained that this vehicle will be used by the Department as a tactical support unit as well as to transport certain specialty equipment (that does not fit on the department's existing apparatus). He informed the Committee that the Fire Department has reviewed inspection reports on this vehicle and found it to be in quite good condition.

With that understanding, the Committee voted 6-0, with Ald. Lipof not voting, to approve the acceptance of this donated equipment for use by the Fire Department.

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

#28-05 **HIS HONOR THE MAYOR** requesting authorization to appropriate and expend ***\$1,619,683*** from Certified Free Cash for the purpose of funding snow and ice costs in the Department of Public Works.

PUB. FACILITIES APPROVED 8-0 ON 1/19/05

ACTION: APPROVED AS AMENDED 6-0 (Lipof not voting)

NOTE: Commissioner Rooney was present this evening. He reviewed the original request letter, along with the supplemental request letter (attached to this report, which was also distributed in the weekly packet on 1/28). He explained that these funds will be necessary in order to replenish funds to the DPW operating accounts.

Overtime, and Special Compensation accounts are significantly over budget due to the timing of these storms (particularly the blizzard). The rental of vehicles and equipment account is also well over budget due to the fact that this account gets charged by the amount of snowfall, and, to date, there has been more than 60 inches of snow. Because of the blizzard, the department has needed to work overnight to clear and haul snow away, which has also added to costs. The sand and salt account is also over budget, for obvious reasons (over 3,000 tons of sand and salt have been used thusfar, and there has also been a significant increase in the cost of these materials, which are now being imported). Other accounts that require funds are the equipment maintenance account and the account that the Department uses to provide meals for its labor force when they are kept on for long periods of time.

The Committee reviewed the figures presented. Everyone was concerned with the large cost that the City has incurred (in excess of \$2.3 million to date) as a result of these snow and ice emergencies (after these appropriations, there is now only less than \$1 million in Free Cash for the remainder of this fiscal year). A cautionary note was issued to the Commissioner about making sure that (over the next 1-2 months) his Department should use these funds very wisely in an effort to keep costs down.

As in the case of the Parks and Recreation Department request, the Committee understood the obvious need for replenishment of these funds, and voted 6-0, with Ald. Lipof not voting, to approve the amended amount for this appropriation.

CLERK'S NOTE: Because the amount approved on 1/19 by the Public Facilities Committee was amended this evening by the Finance Committee, it will be necessary to poll the Public Facilities Committee on the floor of the Board on 2/7 in order that Committee reports will reflect approval of the same total for this appropriation.

#23-05 HIS HONOR THE MAYOR requesting authorization to transfer eleven thousand dollars (\$11,000) from the Main Library part-time salary account to its book acquisition account.

ACTION: **HELD 6-0 (Lipof not voting)**

NOTE: Due to the fact that the Committee workload provided for a long meeting this evening, this item was held until the next meeting by a vote of 6-0, with Ald. Lipof not voting. This item will be discussed on February 14th.

#24-05 HIS HONOR THE MAYOR requesting authorization to transfer the sum of six thousand six hundred fifty-four dollars (\$6,654) from the Elections Department Seasonal and Temporary Wages account to the Clerk Services account to pay the final bill for temporary agency staff hired to process the large number of absentee ballots for the presidential elections.

ACTION: **APPROVED 6-0 (Lipof not voting)**

NOTE: The Committee reviewed the backup information provided and, without debate, voted 6-0, with Ald. Lipof not voting, to approve this request.

REFERRED TO ZONING & PLANNING AND FINANCE COMMITTEES

#168-02 HIS HONOR THE MAYOR requesting that the Board of Aldermen establish new civil fines under Section 20-21 of the City of Newton Ordinances for the violation of various environmental provisions enforced by the Conservation Commission.

ZONING & PLANNING APPROVED 6-0 ON 12/13/04

ACTION: **HELD 6-0 (Lipof not voting)**

NOTE: Due to the fact that the Committee workload provided for a long meeting this evening, this item was held until the next meeting by a vote of 6-0, with Ald. Lipof not voting. This item will be discussed on February 14th.

REFERRED TO COMMITTEE ON COMM PRES & FINANCE COMMITTEES

#424-04 COMMUNITY PRESERVATION COMMITTEE recommending that the sum of \$160,273 be appropriated from the Community Preservation Fund for purposes of funding the restoration of 66 original exterior windows at the West Suburban YMCA building at 267 Church Street.

CMTE ON COMM PRES APPROVED 3-0-2 (Linsky, Hess-Mahan abstaining) ON 11/23/04

ACTION: **APPROVED 7-0**

NOTE: Significant backup was supplied on this item (and distributed to all Aldermen in the 1/28 packet and other previous packets when the Committee on

Community Preservation dealt with this item). This project will provide for first and second floor window replacements on the building that was constructed for the YMCA in 1911. More specifically, the project will restore the original sashes, frames and seals, repair weather stripping and install insulated glass and screens. The YMCA will hire two contractors to complete this project. The application (which was submitted on November 7, 2003) requires utilization of companies that specialize in restoring and replacing windows.

The recommendation, as presented by the Community Preservation Committee, was to approve this request. Because of long-term energy issues, these windows need replacements, and without these funds, the YMCA would be forced to restore these windows with less-appropriate materials and would compromise the exterior character and defining features of this building.

The Finance Committee agreed with the specific recommendations contained in the CPC report that:

- “1. Prior to release of funds, a permanent historic preservation restriction, in accordance with MGL c.184, shall be placed on the historic building which will be enforced by the Newton Historical Commission
2. Work shall commence no later than 31 December 2005 and shall be completed no later than 31 December 2006 or such other date(s) as may be approved in writing by the Director of Planning and Development. In the event of failure to meet the project start or completion dates as stated herein or as approved by the Director of Planning and Development, any remaining funds in the project account shall be returned to the Newton Community Preservation Fund.
3. Upon substantial project completion, the applicant shall submit to the Community Preservation Committee a final project development cost statement. If such final development costs are less than the development budget on which the CPC based its funding recommendation, then the CPC reserves the right to require the applicant to remit to the Newton Community Preservation Fund a share of such surplus....”

While the Committee understood that the Board of Aldermen cannot legally place conditions on appropriations of this sort, it was understood that specific reference to the above listed recommendations of the CPC will be referenced in the Board Order. With that understanding, the Committee ultimately voted 7-0 to approve this request.

All other items were held. The Committee adjourned at approximately 11:00 p.m.

Respectfully Submitted,
Paul E. Coletti, Chairman