

CITY OF NEWTON
IN BOARD OF ALDERMEN
FINANCE COMMITTEE REPORT
MONDAY, JANUARY 26, 2004

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

Also Present: Ald. Baker, Johnson, Harney and Sangiolo; David Wilkinson (Comptroller), Chief Joe LaCroix (Fire Dept.), Mike Rourke (Chief Administrative Officer), Donnalyn Kahn (Assistant City Solicitor), Peter Karg (Executive Secretary to the Election Commission)

#67-04 HIS HONOR THE MAYOR requesting acceptance of and authorization to expend the sum of \$18,000, received as a grant from the Massachusetts Department of Public Health to the Newton Health Department for support of emergency preparedness activities.

ACTION: **APPROVED 8-0**

#70-04 HIS HONOR THE MAYOR requesting acceptance of and authorization to expend the sum of \$3,500, received as a grant from the Massachusetts Department of Public Health to the Newton Fire Department to cover expenses associated with training using the new mobile decontamination unit that the City received in a prior grant.

ACTION: **APPROVED 8-0**

NOTE: Under the new Committee procedures as discussed by the Committee at the previous meetings this term, these two items were taken up as “first call” items. Comptroller David Wilkinson made a presentation on each of these two items.

The Committee reviewed the summary provided by Mr. Wilkinson that was attached to this evening’s agenda. Without debate, the Committee voted 8-0 to approve each of these items.

#73-04 PRES. BAKER, and ALD. SANGIOLO AND COLETTI submitting re-appointment of DAVID C. WILKINSON as Comptroller of Accounts for the City of Newton; said term will be two years or until a successor is duly qualified.

ACTION: **APPROVED 8-0**

NOTE: Dave Wilkinson was present this evening. Approximately one month prior, he had prepared a list of accomplishments and goals and objectives for his

performance as Comptroller as well as Ex-Officio Member of the Newton Retirement Board and Chair of the Insurance Advisory Committee. He has been with the City now for 12 years. He previously worked in Town management for the Town of Natick and prior to that, he worked as Budget Director for former Mayor Theodore Mann. His experience is unparalleled. He has performed one of the most important functions for the City over his 12-year tenure.

The City now has a fixed asset account, all buildings properly appraised and insured, and the pension system is providing some of the best performance the City has ever had. Dave continues to push towards accountability in the audit functions throughout the various City Departments. For the second consecutive year, the Comptroller has prepared the financial statements at the end of the fiscal year for submission to the auditors for review and subsequent certification by the Department of Revenue. Committee members agreed that the City is very fortunate to have David and his staff running this very important department.

In accordance with the City Charter, the Comptroller is appointed by and reports to the Board of Aldermen, as does the City Clerk/Clerk of the Board. During this evening's discussion, Chair Coletti pointed out the fact that the City is rapidly approaching the point where it will be extremely important to have an individual in the City oversee the financial aspects of the various departments that operate the finance system (this includes Information Technology, Treasury, Water Division, Assessing and Comptroller). In the Charter, there is a provision for a Director of Finance. This position can be held by either the Treasurer/Collector or the Comptroller. The Director of Finance would be responsible for coordinating financial activities across these various departments. The Chair brought up this subject this evening in the hopes that, at some point, the Mayor and Board of Aldermen would see the benefits of filling this position. This is not a new position, but a title to which the Treasurer/Collector or Comptroller may be appointed.

The Committee thanked David Wilkinson for the great job that he has done and continues to do for the City. Without further debate, the Committee voted 8-0 to approve his re-appointment.

#74-04 PRES. BAKER re-appointing ALD. ANTHONY SALVUCCI to the Board of Trustees of the Board of Aldermen Scholarship fund, representing wards 1-4; said term to expire 12/31/05.

ACTION: **APPROVED 8-0**

#75-04 PRES. BAKER re-appointing ALD. PAUL COLETTI to the Board of Trustees of the Board of Aldermen Scholarship Fund, representing wards 5-8; said term to expire on 12/31/05.

ACTION: **APPROVED 7-0 (Coletti excused)**

NOTE: Both Ald. Salvucci and Chair Coletti have been representatives of the Scholarship Committee since its inception. This fund provides two \$1,000 scholarships

(one to a student from Newton North and one to a student from Newton South high school) for students who are involved in student government and have demonstrated an interest in governance and leadership through their school work.

Recommendations are made annually by guidance counselors from each of the two high schools. Once awarded, the scholarship funds are sent directly for payment to the individual colleges of the two students to be applied to their second semester bill.

The Committee briefly discussed the fact that there is currently more than \$5,000 in this fund. This is a result of contributions made by many former Aldermen, including the late Mike Lipof, in addition to the standard requested \$100 annual contributions made by current Board members.

Since Ald. Salvucci and Chair Coletti indicated their willingness to continue to administer this fund, the Committee was happy to vote 8-0 (for Ald. Salvucci's reappointment) and 7-0 (with Ald. Coletti excused on his own item) respectively to approve these two items.

#76-04 PRES. BAKER re-appointing ALD. BRIAN YATES to the Board of Trustees of the Emerson Community Center Trust; said term to expire on 12/31/05.

ACTION: **APPROVED 8-0**

NOTE: Years ago, when the Board of Aldermen and the Mayor voted to convert the Emerson School to condominiums, this trust fund was set up for the purposes of providing the utility and maintenance costs for the gymnasium portion of the school building (which was given back to the City as a Community Center). Looking back through the report (provided by David Wilkinson) that was attached to this evening's agenda, the Committee noted that this trust fund holds a balance of \$9,768. The building generates revenue by leasing out some of its space to a daycare center and providing space to the schools and community for various activities. This Community Center is a very well-used and well-liked location for various groups.

Ald. Yates has been appointed as the Aldermanic representative to serve on the trust committee for many years now. The Committee, after very brief discussion of this item, voted 8-0 to approve Ald. Yates' re-appointment.

#71-04 HIS HONOR THE MAYOR requesting an appropriation in the amount of \$15,940 from Salary Reserve in order to fund the cost items set forth in the labor contract agreed upon with the Professional Members of the Engineering Division of DPW.

ACTION: **APPROVED 7-0 (Lipof not voting)**

NOTE: Attached to this evening's agenda was the backup information relative to this item. Mike Rourke was present this evening and reviewed this information with the

Committee. The wage increase (2%) is in line with all of the other contract settlements that have already been processed. There were other individual items (insurance co-pays, clothing allowance, longevity, retirement death benefit, additional floating holiday) included that will be both beneficial to the City and the union members. Mr. Rourke indicated the Executive Department's support of this proposed contract settlement.

Committee members agreed with the terms of this contract as being fair and equitable and, after very brief discussion, voted 7-0, with Ald. Lipof not voting, to approve this item.

#68-04 HIS HONOR THE MAYOR requesting that the sum of \$50,000 be appropriated from the Sewer Surplus fund for the purpose of funding a settlement of the last claim against the City arising from a sewerage backup at the failed Quinobequin Pumping Station.

ACTION: **APPROVED 8-0**

NOTE: Donnalyn Kahn was present this evening from the Law Department. She presented a letter dated January 12th indicating that a company in Newton Lower Falls (back when there was a pump failure at the Quinobequin Pumping Station) had severe damage caused by sewerage that backed up into their basement property located on Washington Street in Newton Lower Falls. The damage to equipment, files, interior and personal possessions, as well as other materials for their business. The original claim filed with the insurance company was for over \$250,000. The insurance company settled a portion of that claim, but ultimately segregated part of the claim to be placed here against the City for negligence.

The City has negotiated this settlement down to \$50,000. The Committee agreed that the settlement is necessary and justified at this time. The settlement will come from the Sewer Surplus Fund. With that understanding, the Committee voted 8-0.

#69-04 HIS HONOR THE MAYOR requesting an appropriation in the amount of \$17,500 from Water Surplus for the purpose of funding a settlement of the final claim (Brunell property, 52 June Lane) against the City arising from flooding caused when a City employee struck a water pipe valve during an excavation

ACTION: **APPROVED 8-0**

NOTE: Similarly to the previous item, this was an insurance claim against the City. During this excavation, the water pipe valve was struck, which made it impossible to shut the water off directly after the accident occurred. This resulted in the flooding of the basement at 52 June Lane. The City did not contest negligence in this case (in fact, the employee was issued a warning for not exercising proper care while performing the excavation).

Donnalyn Kahn indicated that the Law Department is satisfied with this settlement. With that recommendation, the Committee voted 8-0 to approve this item.

#72-04 HIS HONOR THE MAYOR requesting an appropriation in the amount of \$17,850 from the Capital Stabilization Fund for the purpose of making repairs to Engine 7 in the Fire Department.

ACTION: **APPROVED 8-0**

NOTE: Chief Joe LaCroix was present this evening and presented a letter dated January 12th that indicated that, unfortunately, engine 7 (which is a relatively new piece of equipment and was refurbished in the mid 1990's) suffered a cracked engine block. It is not uncommon for this type of engine problem to occur, especially on pump trucks due to the amount of time that they are required to sit on site with their engines running as they provide pressure to the water stored in the tanks. Unfortunately, this damage requires that the engine be re-built.

The Committee reviewed the backup information that was provided regarding these necessary repairs. This is a front line piece of equipment that is currently assigned to Station 7 in Newton Upper Falls. The total cost for this project is \$17,850. The engine will have a one-year factory parts and labor warranty. The Committee was in full support of this request and voted 8-0 to approve this item.

REFERRED TO PUB. SAFETY/TRANS. AND FINANCE COMMITTEES

#38-04 HIS HONOR THE MAYOR requesting an appropriation in the amount of \$501,867 from Budget Reserve in order to supplement the Fire Department budget to cover overtime costs.

PS&T APPROVED 5-0 ON 1/21/04

ACTION: **APPROVED 8-0**

NOTE: Since this item is of great interest to many, the Chair has attached the backup information (which was also attached to this evening's agenda) to this report for further review by any interested Aldermen and others reading this report.

These funds, it is estimated, will provide ample funding for the Fire Department to cover overtime expenses through March of this year. Although the City has implemented a sick leave policy which has, in fact, reduced the number of required overtime shifts, there are still issues regarding firefighters who are injured, awaiting disability retirement, and those firefighters hired by Newton from the state (civil service) layoff list who are gradually being called back to work by other communities throughout the state.

There are currently 3 firefighters who have been injured on the job, 3 on military leave, 1 on administrative leave, two out under the Family Medical Leave Act, 2 pending retirements, and 6 vacancies created when former Lynn firefighters were called back to duty. As a result, the Department, due to minimum manning requirements (42 firefighters per shift for Jan.-March), continues to need these overtime shifts. It is

expected that the City will, in fact, exceed \$1 million in overtime costs this year. It is important to note that circumstances are slightly different this year (than in previous years) due to the large number of vacancies and extenuating circumstances surrounding the requirements for the state layoff list vs. the Newton civil service list.

The Chief indicated that he hopes to have 8 to 10 qualified candidates ready for the March fire academy. It will be 12 weeks (of training) before those firefighters will be assigned to the various groups throughout the Department. Therefore, the overtime requirements will still be high until that point.

Committee members agreed that the Chief's presentation this evening justified the need for these additional overtime funds. The Committee voted 8-0 to approve this item.

REFERRED TO PROGRAMS AND SERVICES AND FINANCE COMMITTEES

#37-04 **HIS HONOR THE MAYOR** requesting an appropriation in the amount of \$62,925 from Budget Reserve for the purpose of funding the costs of a special election to fill the vacancy for Alderman-at-Large in Ward 6.
PROG. & SERV. APPROVED 3-0-3 (Sangiolo, Johnson, Coletti abstaining; Parker not voting) ON 1/7/04

ACTION: APPROVED SPECIAL ELECTION TO BE HELD ON 5/18 5-2 (Coletti, Linsky opposed; Lipof not voting)

NOTE: The Committee reviewed the information (attached to this report) provided by Karg, which includes a revised proposed schedule for the special election. The Chair will not provide a detailed description of the lengthy discussion that took place this evening, as it is fully expected that this discussion will take place again on the Floor of the Board on 2/2. Because the Programs and Services Committee originally approved the proposed election date of May 4th and the Finance Committee this evening voted on a May 18th date, this item will automatically be placed on Second Call due to conflicting reports.

There are various schools of thought regarding the filling of this Alderman-at-Large, Ward 6 vacancy. Under the Charter, once the City was made aware that this vacancy existed (when former Ald. Basham made the announcement back in December), it is required to hold a special election to fill this vacancy "forthwith". In the past, the term "forthwith" has been interpreted to mean anything from the possibility of getting Special Legislation in order to postpone the election until one of the general elections in order to save money, to within 120 days of setting and passing the date of the special election.

There were additional items docketed before the Programs and Services Committee by Chair Coletti and Ald. Sangiolo that call for a Non-Binding Referendum Question regarding the Newton North High School project and a request for Home Rule Legislation (to be approved at the state level by July) in order to hold a Special Municipal election for this purpose during the State Primary in September, respectively. The latter, if approved, would mean that the cost for the special election would drop from \$63,000 to

\$24,000. In the event that the election is held in November, the cost would drop to less than \$10,000.

There is also a concern that, in the event that the election is held on May 18th, a very low (8%) would be expected. There would be a greater turnout expected in September (25%-27%) and even higher in November (possibly even 90%-95%). Obviously, it would be in the best interest of the City to hold this election at a time when the best turnout is expected, since this seat requires a city-wide election.

There was much discussion this evening relative to the interpretation of the proposed calendar of events for this election. It is expected that Committee members, along with many other Board members will want to make further comment when this item is placed on Second Call on 2/2. Ultimately, after lengthy discussion the Committee voted to substitute the date of May 18th for the originally proposed May 4th date. The Committee voted 6-1, with Ald. Gentile opposed to the date change and Ald. Lipof not voting. On the main item, the Committee voted to approve the item, including the May 18th election date (for the filling of the vacancy, but not to include the non-binding referendum question), by a vote of 5-2, with Ald. Linsky and Coletti opposed and Ald. Lipof not voting.

All other items were held. The Committee adjourned at approximately 10:00 p.m.

Respectfully Submitted,

Paul E. Coletti, Chairman