



Finance Committee Report

City of Newton In City Council

Wednesday, October 14, 2020

Present: Councilors Grossman (Chair), Malakie, Humphrey, Kalis, and Noel

Absent: Councilors Gentile, Norton and Ciccone

Also Present: Councilor Laredo

City staff present: Chief Financial Officer Maureen Lemieux, Comptroller Sue Dzikowski and City Clerk David Olson

#392-20 **Authorization to accept and expend a \$26,711.43 grant from the CESFP**
HER HONOR THE MAYOR requesting authorization to accept and expend a twenty-six thousand seven hundred eleven dollar and forty-three cent grant from the Executive Office of Public Safety and Security's Office of Grants and Research FY2020 Coronavirus Emergency Supplemental Funding Program (CESFP) for prevention, preparation and response to Coronavirus.

Action: **Finance Approved 5-0**

Note: Maureen Lemieux, Chief Financial Officer, presented the request to accept and expend a \$26,711.43 grant from the Executive Office of Public Safety and Security's Office of Grants and Research FY2020 Coronavirus Emergency Supplemental Funding Program (CESFP) for prevention, preparation and response to Coronavirus. Ms. Lemieux explained that this grant offered a total of \$50,000 that the City could apply for, strictly for the Police and Fire Departments. Between the two departments, the City was approved for approximately \$48,000 of the \$50,000 we applied for. The Police Department will use these funds to have areas professionally cleaned, and for purchasing a variety of cleaners and PPE.

Councilor Noel motioned to approve which passed unanimously.

#394-20 **Authorization to accept and expend a \$37,146 grant from the CTCL**
City Clerk requesting authorization to accept and expend a thirty-seven thousand one hundred forty-six dollar grant from the Center for Tech and Civic Life for planning and operationalizing safe and secure election administration in the City of Newton in 2020.

Action: **Finance Approved 5-0**

Note: David Olson, City Clerk, presented the request to accept and expend a \$37,146 grant from the Center for Tech and Civic Life for planning and operationalizing safe and secure election administration in the City of Newton in 2020. Mr. Olson explained that this grant will help offset the

costs of the September Primary and the November election. The major costs for these elections have been the mail-in ballots. The State is covering the cost of postage back to the City from the voter but the postage going out to the voter must be covered by the City. The Clerk's Office has mailed out approximately 27,000 ballots in September and approximately 35,000 ballots so far for the November election. Mr. Olson noted that the postage is 65 cents per ballot. The City has already spent the postage budget for the year during the September Primary. The other costs that have been accrued can be covered by the CARES Act and the funds that are regularly budgeted.

Maureen Lemieux, Chief Financial Officer, explained that the CARES Act language has been amended so that elections cost will be covered. The City does need to use their budget first, then the proposed grant funds, then the CARES Act will cover the overages. Ms. Lemieux noted that the City did put \$40,000 on the its postage meter.

Mr. Olson explained that the additional costs that have occurred because of COVID-19 include having to hire three temporary election clerks, hiring poll workers, overtime for full-time employees and the postage.

Mr. Olson thanked his staff for their work during this election season.

Committee members asked the following questions:

Q: Is this a new grant or is the grant offered every year?

A: Mr. Olson explained that this is a new grant because of the effect that COVID-19 has had on the election. Additionally, Mr. Olson noted that it was the U.S. Conference of Mayors that notified the City that this grant was available, and this grant is based on how many voters Newton has.

Q: Is the City able to financially run the presumed special municipal election?

A: Mr. Olson explained that at this point the mail-in options do expire at the end of December so they would need to work with the State legislature to continue mail-in ballot availability through the winter and spring. If the City is able to continue mail-in ballots this would make for a more expensive election because the City would need to cover the postage to and from City Hall. There also may be need to have additional staff.

Q: How has the process been finding poll workers during the pandemic?

A: Mr. Olson explained that the three temporary election clerks just graduated from college and were looking for work. The poll workers are mostly Newton residents, but the department has been looking for poll workers throughout the State as are other communities. This year there are more first-time poll workers, though some of our regular poll workers have decided to continue to work. Mr. Olson explained that there is less of a need for poll workers on election day because of the mail-in ballots,

social distancing requirements and because the State has allowed cities and towns to eliminate the “check-out” table. Currently, the department has enough poll workers to make it through the election. Committee members thanked Mr. Olson and his staff for the work they have done during this election season.

Councilor Kalis motioned to approve which passed unanimously.

Chair’s Note: *The following two items were discussed together.*

#395-20 **Request for updates on budget and possible reimbursements at Newton Public Schools**
The President of the Council, on behalf of the City Council, requesting updates to the Finance Committee from the Chief Financial Officer regarding budget expenditures and possible reimbursements related to school reopening at each meeting this fall.

Action: **Finance Held 5-0**

Chairs Note: *Chief Financial Officer Maureen Lemieux provided an update on the expenditure of funds for COVID-19 as related to item #239-20.*

Note: Maureen Lemieux, Chief Financial Offer, provided updates regarding budget expenditures and possible reimbursements related to school reopening and updates on the expenditure of funds related to COVID-19.

Ms. Lemieux explained that since the last update the City, together with a small consortium of other communities, has been awarded approximately \$900,000 from the Emergency Shelter Grant. The grant was originally approved for approximately \$550,000. Because this is a collective grant, the City of Newton will receive approximately \$150,000 of this money.

The election funds that were discussed in the previous docket item were also a new funding source since the last update. Ms. Lemieux noted that the City also was notified that the State legislature added an earmark in one of their bills for \$85,000 for the cost of reconfiguring office space to comply with social distancing needs.

Ms. Lemieux explained that they learned that PPE for the School Department will not be included in FEMA reimbursement because it has been determined by FEMA that providing an education in the schools is not considered an essential service. The city will still apply for the PPE reimbursements through the CARES Act. The City will be applying for their first FEMA application and then MEMA will review that application to figure out which of our expenses will qualify. The application is for \$1,000,080. Ms. Lemieux explained that they are expected to receive about 75% of those funds and the rest will be on the CARES Act application.

The CARES Act application will include the 25% of the funds that are not covered by FEMA, the School Department’s PPE and the work that is being done on the HVAC systems in the schools. Ms. Lemieux noted that these funds do not include any capital projects and the HVAC system needs to be

completed by December 30th, 2020 to be reimbursable. With the renovated HVAC system, the cost of electricity and natural gas related to heating may increase significantly because of the amount fresh air that will be pushed into the building.

Currently, the School Department has \$2.8 million allocated in possible CARES funding. They will use that funding for what has been spent on technology, the approximately \$200,000 that was spent on the tents, and other changes that have been made due to COVID-19. The Elementary and Secondary School Emergency Relief Fund (ESSER Fund) grant that the School Department received was for approximately \$745,000 but Newton does need to split that with the private schools. Those funds will be used for Chromebooks and other technology required for all students in Newton to be able to learn remotely.

Ms. Lemieux explained that within the financial forecast there will be a section where they will list all the potential COVID-19 reimbursement funding sources. The total for all the possible funding sources right now is approximately \$18 million. Ms. Lemieux noted that this number can increase to \$19 million and the administration has been working with other departments to make sure that all the funds are being tracked.

The approximate breakdown of \$18-\$19 million is shown below:

- CARES funding for the City- \$7.8 million
- CARES funding for the Schools- \$2.8 million
- CBDG funding- \$1.7 million
- Emergency Shelter Grant- \$1.5 million (only a portion of this grant will be awarded to Newton)
- Community Preservation funds- \$2 million
- City Council Approved funds- \$1 million
- ESSER Funds- \$700,000 (split with the private schools in Newton)
- Newton Schools Foundation- \$85,000 worth of Chromebooks
- Learning Technology Essential Grant- \$97,000
- Police and Fire Department Grants- \$47,000
- Mass Department of Public Health- \$200,000
- Earmark from the Legislature used for the reconfiguration of office space- \$85,000
- Elections Grant- \$37,000

Ms. Lemieux noted that the City's goal is to eventually be able to reimburse the \$1 million that the City Council approved earlier this year in emergency funding. As of now the CPA has spent approximately \$550,000 of the \$2 million that was approved for rental assistance. When the CPA money was approved, it was stated that the City will try to see if this could be reimbursed by CARES funding.

Councilors asked the following questions:

Q: If PPE for the School Department is not covered under FEMA because in-person school has been deemed unessential, then why is the HVAC systems and the tents are covered? How will these items be paid for?

A: Ms. Lemieux explained that none of these items will be covered under FEMA. FEMA has a much narrower definition on what they will reimburse the City for. The CARES Act was created to have a broader definition and those items should be covered under the CARES Act. The guidelines do keep changing as the pandemic has evolved. Ms. Lemieux noted that PPE for City staff, besides first responders, will not be covered by FEMA after September 15th.

Q: How is the City handling cash flow, if we're not being reimbursed quickly?

A: Ms. Lemieux explained the City is being reimbursed quickly. The CDBG funding has been received, the CARES Act money may be turned around within 6 weeks from when the City applies, and FEMA may reimburse within the calendar year.

Q: At the end of June 2020, how much did the School Department carry over in its budget?

A: Ms. Lemieux explained that approximately \$4 million was carried over in circuit breaker funding.

Q: Are there expenditures that were budgeted for that will not be spent this year in the School Department?

A: Ms. Lemieux explained that there will be savings, but the amount will not be known until the year-end report is completed by the School Department. There will be a loss of approximately \$500,000 from bus ticket revenue and there will be other losses that will affect the savings. Ms. Lemieux explained that Liam Hurley, Assistant Superintendent, is planning to be present at the next meeting and will be able to give a better answer to this question.

Councilors made the following comments:

The Council should receive a one-pager that maps out the expenditures, reimbursements, savings and losses during the COVID-19 pandemic so that the Council can prepare if they need to allocate more funds to the School Department.

Regarding the previous comment, Ms. Lemieux noted that these concerns are valid especially for FY22. The State aid levels may also change going forward and that could affect the City in future fiscal years. Ms. Lemieux explained that Mr. Hurley will be able to further explain the budget of the School Department and will be presenting the School Department's year-end report.

The Council should also receive an outline of the City expenditures during the pandemic.

Councilor Kalis motioned to hold item #395-20 which passed unanimously.

The Committee adjourned at 8:11 p.m.

Respectfully submitted,

Rebecca Walker Grossman, Chair