



Finance Committee Report

City of Newton In City Council

Monday, February 22, 2021

Present: Councilors Grossman (Chair), Malakie, Humphrey, Kalis, Norton and Noel; 1 vacancy

Absent: Councilor Gentile

City staff present: Chief Financial Officer Maureen Lemieux, Comptroller Sue Dzikowski, Assistant City Solicitor Maura O'Keefe, Commissioner of Public Works Jim McGonagle and Chief Operating Officer Jonathan Yeo

Referred to Public Facilities and Finance Committees

#65-21 Approve \$1,000,000 for snow and ice removal

HER HONOR THE MAYOR requesting authorization to transfer the sum of one million dollars (\$1,000,000) from Acct # 0110498-579400 Comptroller's Reserve for Snow/Ice Removal as follows:

Regular Overtime (0140123-513010).....	\$500,000
Rental Vehicles/Contractors (0140123-527300).....	\$500,000

Public Facilities Approved 6-0 (Councilor Norton not voting) on 02/17/21

Action: Finance Approved as Amended to \$1,892,500 5-0 (Councilor Noel not voting)

Note: Maureen Lemieux, Chief Financial Officer explained the administration's request to amend the originally docketed amount to \$1,892,500. This request includes \$750,000 for Regular Overtime and \$1,142,500 for Rental Vehicles/ Contractors.

Jim McGonagle, Commissioner of Public Works explained that the first snowstorm of this winter was on October 30th, 2020 with 5 inches of snow. The City has experienced 24 snow events which have totaled to 58 inches of snow. The total expenses incurred so far this winter are approximately \$4.5 million, which is the department's budgeted amount. There was also \$100,000 that was rolled over from last year and FEMA funds from a prior storm.

Ms. Lemieux explained that the City started with approximately \$3.1 million for snow events in the DPW budget and an additional \$1.1 million in the Comptroller's Reserve, with approximately \$792,000 carried forward. The Comptroller's Reserve will be depleted with this amended docket request. She noted that if more funds are needed, they will be asking to allocate the funds from Free Cash instead of the Inclement Weather Reserve which has approximately \$880,000 in it currently. The inclement weather account is reserved for extreme winters.

Committee members asked the following question:

Q: Did the City receive additional FEMA funding this year due to Covid-19 restrictions?

A: Commissioner McGonagle explained that there were no additional funds this year for snow and storms. He noted that the department has had to change hours and operations due to the pandemic but nothing that would be reimbursable.

Councilor Humphrey motioned to amend the docket item to \$1,892,500, with \$750,000 going to the Regular Overtime account and \$1,142,500 going to Rental Vehicles/ Contractors which passed 5-0 with Councilor Noel not voting.

Councilor Humphrey motioned to approve as amended which passed 5-0 with Councilor Noel not voting.

Referred to Public Facilities and Finance Committees

#66-21 Appropriate \$447,000 for the Sewer Pump Station Rehabilitation CIP Project 1

HER HONOR THE MAYOR requesting authorization to appropriate and expend the sum of four hundred and forty-seven thousand dollars (\$447,000) from the Sewer Fund Surplus- available for appropriation account to fund the Engineering Design of the Sewer Pump Station Rehabilitation CIP Project 1.

Public Facilities Approved 6-0 (Councilor Norton not voting) on 02/17/21

Action: Finance Approved 5-0 (Councilor Noel not voting)

Note: Commissioner of Public Works, Jim McGonagle presented the request to appropriate and expend \$447,000 to fund the Engineering Design of the Sewer Pump Station Rehabilitation CIP Project 1. There are 15 assessed pump stations across the City. Eleven of those are for wastewater, one is a stormwater pump station, and three are drinking water booster stations. Additionally, there is a pump station for Flowed Meadows which was rehabbed in 2019. Commissioner McGonagle noted that the assessment was done last year and last time these pump stations were evaluated was between 1990 and 1991. The lifespan of the equipment is between 25-40 years. The \$447,000 will address engineering design for Phase 1 of the items reviewed during the pump station assessment. He noted that this work will deal with HVAC in the pump stations. The Commissioner will need to return to the Committee for construction funding and will explain more details about what repairs need to be done. This will be a 10-year CIP project.

Committee members asked the following question:

Q: What was the bid process for this project?

A: Commissioner McGonagle explained these funds are for the engineering design and once that is completed the department will put the construction costs out to bid. He noted this will be a public bid, and they usually go with the lowest cost bidder as long as the contractor meets all of the requirements.

Councilor Norton motioned to approve which passed 5-0 with Councilor Noel not voting.

#63-21 Authorize \$10,594.80 to settle a claim against the City

HER HONOR THE MAYOR requesting authorization to appropriate and expend ten thousand five hundred ninety-four dollars and eighty cents (\$10,594.80) for the full and final settlement of a claim made by Dr. Moulazadeh against the city.

Action: Finance Approved 5-0 (Councilor Noel not voting)

Note: Maura O'Keefe, Assistant City Solicitor presented the request to appropriate and expend \$10,594.80 for the full and final settlement of a claim made by Dr. Moulazadeh against the City. Atty. O'Keefe explained that this is for damage done to a fence by a city plow. This fence has been damaged multiple times over the past few years, and this has been done frequently because of where the fence is located. The property is on a plowing route that is high priority during a snow event. Atty. O'Keefe explained that the resident does have the right to locate his fence in that area.

Atty. O'Keefe noted that the Law Department did work with DPW and the resident to find a solution to this ongoing problem. The solution was to erect a cement lip along the edge of the sidewalk and the resident's property. This solution did work and there has not been any further damage since January 25th, 2018.

The Law Department has investigated the cost of the fence and the requested amount is what the repairs will cost on this section of fence.

Committee members asked the following questions:

Q: Could this solution work with similar issues around the City?

A: Atty. O'Keefe explained that issues similar to this are dealt with on a case-by-case basis. She noted that the goals are to prevent damage to property owned by residents and to limit the amount of settlements.

Q: How wide are the machines plowing the sidewalk?

A: Commissioner McGonagle explained that there are a few different machines because there are parts of the City that are narrower. The plows that the City uses are from 30 to 48 inches wide. The fence at issue in this case is made from lightweight aluminum, so even snow being pushed up against the fence can do damage. That has also been solved by the lip being installed. Commissioner McGonagle noted that this fence is located 2 inches off the sidewalk, and he is working with the Law Department to draft an ordinance to address setbacks of fences going forward.

Councilor Malakie motioned to approve which passed 5-0 with Councilor Noel not voting.

#64-21 Authorize \$9,831.42 to settle a claim against the City

HER HONOR THE MAYOR requesting authorization to appropriate and expend nine thousand eight hundred thirty-one dollars and forty-two cents (\$9,831.42) for the full and final settlement of a claim made by Arbella Mutual Insurance Co against the city.

Action: Finance Approved 6-0

Note: Maura O’Keefe, Assistant City Solicitor presented the request to appropriate and expend \$9,831.42 for the full and final settlement of a claim made by Arbella Mutual Insurance Co against the City. Atty. O’Keefe explained that this claim is based on a motor vehicle accident. A firetruck that was returning from a call was trying to make a turn from Blake Street to Cabot Street. There was a vehicle on Cabot Street that stopped to allow the firetruck to make the turn. The distance between the firetruck and the vehicle was misjudged, and a crash occurred, causing \$13,000 worth of damage to the vehicle. Atty. O’Keefe noted that the Law Department tries to settle these claims as quickly as possible after the incident to minimize the amount that needs to be offered to achieve a settlement. Atty. O’Keefe explained that if the insurance company were to have to sue the City for the full amount, it would take four years to make it to trial and would become more costly for the insurance company, which is why they are incentivized to settle at a dollar amount less than the full claim. The Law Department offered \$9,831.42, which is 75% of the claim; that was agreed upon by Arbella Mutual Insurance Co.

Councilor Kalis motioned to approve which passed unanimously.

Referred to Programs & Services and Finance Committees

#68-21 Appropriate \$100,000 for the March 16, 2021 Special Municipal Election

HER HONOR THE MAYOR requesting authorization to transfer the sum of one hundred thousand dollars (\$100,000) from Acct # 0110498-579000 to a project account to be managed by the City Clerk’s Office to fund the city-wide special municipal election on March 16, 2021 to fill two City Council vacancies.

Programs & Services Approved 8-0 on 02/17/21

Action: Finance Approved 6-0

Note: Maureen Lemieux, Chief Financial Officer presented the request to transfer \$100,000 to fund the citywide special municipal election. There is special legislation that allows for mail-in voting for the March 16, 2021 election. Mail-in voting does cause extra costs for the city, though the exact costs the city will incur for this are unknown at this time. Ms. Lemieux explained that since this money will be in a project account, it will be easy to track the expenditures and understand what costs are related to the Covid-19. The costs that are related to the pandemic will be added to the application for reimbursement. The funds will be coming from the Comptroller’s Budget Reserve.

Committee members asked the following question:

Q: Who manages the money since the City Clerk has retired?

A: Ms. Lemieux explained that Nadia Khan has been appointed as the Interim Clerk of the Council and Christopher Sullivan has been appointed as Interim City Clerk. Mr. Sullivan will be the one to oversee the election.

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 6-0**

Chair's 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 Officer explained that she believes that a new testing contract has been fully executed with JCM who will be running the new testing program for teachers, staff, and students, up to a once-per-week basis.

Ms. Lemieux explained that the House Committee on Oversight and Reform has voted out their version of the Reconciliation Act. One of the most important parts of the Act is that the funds will be available until expended, which is different language than what has been specified in the past. Also, the funds must be used to address the pandemic or the pandemic's negative economic impacts, including to replace revenue lost, delayed, or decreased. Ms. Lemieux noted that the City has lost a large amount of revenue throughout the pandemic. This Act still needs to go before the Senate before it can get passed, and it is likely to go through amendments. FEMA may also be reimbursing up to 100% costs instead of 75% per usual, which can free up CARES Act funding that has been set aside to cover what FEMA would not.

Committee members asked the following questions:

Q: Will this new language affect funds that have already been received by the City?

A: Ms. Lemieux explained that this will most likely be new money. She noted that they do not expect any new constraints on the \$7.8 million Newton has already received.

Q: Is JCM using pool testing?

A: Jonathan Yeo, Chief Operating Officer explained that this is pool testing. The hope is to start this testing as soon as possible and the existing program is going to continue until this program starts.

Q: Are there any budget implications for this fiscal year and how is the City planning for the next fiscal year?

A: Mr. Yeo explained that the School Department may need to buy more desks to be able to social distance. Ms. Lemieux explained that the administration will act quickly to do whatever is needed to reopen the schools. The budgeting process will be delayed this year until May 12th or 13th. That is the last week that it can be delivered to the Council, 45 days before the beginning of the next fiscal year. Ms. Lemieux noted that the budget needs to be passed or the Mayor's budget goes into effect 45 days after it is given to the Council.

Q: Do the changes to FEMA reimbursement only relate to COVID-19 expenditures?

A: Ms. Lemieux explained that she believes that it is just COVID-19 related expenditures.

Q: Is the JCM testing different than the state testing plan?

A: Mr. Yeo provided the following links related to the testing plan.

Presentation: <https://drive.google.com/drive/folders/1hjQRpLg5o2whk2EarUYvXpTUFveiw6J>

Memo: <https://drive.google.com/drive/folders/1hjQRpLg5o2whk2EarUYvXpTUFveiw6J>

Mr. Yeo explained that this is a slightly different plan than the state's and may be more expensive, but the team felt it was a superior program. Ms. Lemieux explained that with the state program, NPS employees would have needed to administer the program; with the JCM program, labor is included.

Q: Could the City be spending funds on trailers to bring the kids back to school sooner?

A: Ms. Lemieux that she is unable to answer that question, but the School Department is doing everything they can to figure that out. Currently, Newton is competing with cities around the country to get supplies to be able to reopen the schools.

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

The Committee adjourned at 8:21 p.m.

Respectfully submitted,

Rebecca Walker Grossman, Chair



RUTHANNE FULLER
MAYOR

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February 19, 2021

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

Councilors:

As our costs have increased, I respectfully request that your Honorable Council amend Docket # 65-21 by replacing the request for \$1,000,000 with a request for \$1,892,500, to be distributed as follows:

- \$750,000 to Regular Overtime Acct # 0140123-513001
- \$1,142,500 to Rental Vehicles/Contractors Acct # 0140123-527300

Backup regarding costs incurred to date is attached.

Thank you for your consideration of this matter.

Sincerely,

Ruthanne Fuller
Mayor

CITY CLERK
NEWTON, MA, 02459

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