



# Finance Committee Report

## City of Newton In City Council

**Monday, November 22, 2021**

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

City staff present: Comptroller Sue Dzikowski, Chief Financial Officer Maureen Lemieux and Human Resource Director Michelle Pizzi O'Brien

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

**#418-21 Request to transfer ~~\$1,385,000~~ \$1,280,000 from ~~various Wage Reserve Accounts~~ General Fund Wage Reserve, Water Fund Undesignated Fund Balance, Sewer Fund Undesignated Fund Balance and Stormwater Fund Undesignated Balance**

HER HONOR THE MAYOR requesting authorization to transfer the sum of ~~one million three hundred eighty five thousand dollars (\$1,385,000)~~ nine hundred and fifteen thousand dollars (\$915,000) from ~~various Wage Reserve Accounts~~ Acct# 0110498-519700 General Fund Wage Reserve, one hundred seventy-five thousand dollars (\$175,000) from Acct # 6000-3599 Water Fund Undesignated Fund Balance , one hundred ten thousand dollars (\$110,000) from Acct # 6100-3599 Sewer Fund Undesignated Fund Balance and eighty thousand (\$80,000) from Acct. # 6200-3599 Stormwater Fund Undesignated Fund Balance to fund the retroactive portion of the recently ratified Collective Bargaining Agreement between Teamsters Local 25 and the City of Newton, covering Fiscal Years 2020 through FY2024.

**Finance Approved as Amended 8-0**

**#423-21 Request to transfer ~~\$2,407,500~~ \$2,027,500 from ~~various Wage Reserve Accounts~~ the General Fund Wage Reserve and the Sewer Fund Undesignated Fund Balance**

HER HONOR THE MAYOR requesting authorization to transfer the sum of ~~two million four hundred seven thousand five hundred dollars (\$2,407,500)~~ one million nine hundred sixty two thousand five hundred dollars ( \$1,962,500) from ~~various Wage Reserve Accounts~~ Acct # 0110498-519700 General Fund Wage Reserve and sixty-five thousand dollars (\$65,000) from Acct # 6100-3599 Sewer Fund Undesignated Fund Balance to fund the recently ratified Collective Bargaining Agreement between AFSCME Local 3092/3092B and the City of Newton, covering Fiscal Years ~~2020, 2021 and 2022.~~ 2020 through FY24

**Finance Approved as Amended 8-0**

**Note:** Maureen Lemieux, Chief Financial Officer presented the request to transfer funds to pay for the retroactive portion of the recently ratified Collective Bargaining Agreements for Teamsters Local 25 and AFSCME Local 3092/3092B.

Ms. Lemieux explained that there are approximately 165 employees in the Teamsters union and 184 employees in the AFSCME Local 3092/3092B union. She further explained that they have been preparing to be able to fund the Collective Bargaining Agreements through carry forwards in the budget each year. If contracts do not get settled in a particular fiscal year, the funds expected to be needed to fund the anticipated contract are carried forward. In this year's budget there was approximately \$2.6 million in the general fund reserve which resides in the Comptroller's budget. There were also funds carried over in the Library budget and the budgets for the Sewer, Stormwater and Water Enterprise funds. The carry over in those funds was approximately \$4 million.

Ms. Lemieux explained that she provided the attached amendments to the docket items. The amended requests are for \$915,000 from the general fund for the Teamsters and \$1,962,000 from the general fund for 3092. This will leave the City with a total of approximately \$3.8 million for contracts that have yet to be settled. Ms. Lemieux explained that she also needs to estimate the overtime that has been earned by employees. With respect to the employees in the Teamsters union, any snow overtime they earned in FY21 needs to be a part of what is carried over from the general fund.

Ms. Lemieux explained that when they begin the negotiation process, they look at items that would be universal for all contracts which include health insurance. The City is self-insured which means that the City pays Harvard and Tufts to administer the health plans, but the City wires them the actual cost of claims. There are two ways for the City to control the cost of health insurance which include cost transferances or cost avoidance. She further explained that they would not be looking to increase the contribution rates that employees are paying but look to people that are utilizing the plans to carry more of the burden. The changes to a number of contracts included increasing copays, specialists, and tier one prescription fees. Ms. Lemieux explained that these changes will not be seen in the 3092 contract because they had previously agreed that all the new members would pay a contribution rate of 30% instead of the 25% rate which is standard in many other City contracts. Additionally, in these two contracts the unions have agreed that their members will only use direct deposit so that the City does not need to print physical checks.

Ms. Lemieux explained that the Teamsters Union's Memorandum of Agreement (MOA) also includes language for the snow season and states how many of the working foreman may have to plow if there is a storm that goes on for a long period of time or for other extenuating circumstances. There is also language for line painters so that the City can do some line painting in-house. Ms. Lemieux also explained that they added language for training and set up a committee for the issues related to meal breaks and the hours of work.

The 3092 union is made up of employees from almost every department in the City. In their MOA there is language regarding working weekly Tuesday night hours, which will give the City more flexibility if we decide to re-open on Tuesday nights. There was also language for the members of the union that still need to work when City Hall is closed. Ms. Lemieux also explained there is additional language regarding dispatchers, library staff and custodians.

Councilors asked the following questions:

Q: How can we afford to increase wages by 3% when there is proposition 2 1/2 in place?

A: Ms. Lemieux explained that for the Teamsters, 45% of the members will be getting their step raises, which impacts what the increase will be by approximately 1 1/2%. She further explained that with the 3% wage increase and the 1 ½% step increase it is a total increase of 4 ½%. There is a higher turnover rate in the Teamsters union as compared to other unions, so there are cost savings from attrition. 1

Q: What percentage of the funds that are being transferred will go directly to the employees?

A: Ms. Lemieux explained that all the funds will go to the employees besides what is taken out for taxes and retirement if the wages are pensionable.

Q: Do these agreements leave the City in a competitive position with respect to hiring and retaining employees in general and with respect to hiring and retaining employees for snow emergencies?

A: Ms. Lemieux explained that they looked at surrounding communities' starting salaries for jobs held by Teamsters members and found that Newton's starting salaries were low. The salaries have been adjusted starting, January 1<sup>st</sup>, by cutting off the bottom two steps. There are also new rates for members of the 3092 union. Additionally, Ms. Lemieux explained that they do have more vacancies than they would like to see before winter for snow removal, but Human Resources is currently working on recruiting.

Councilors noted that there is a labor shortage and there will need to be some patience during the winter months.

Councilor Kalis motion to amend item #418-21 as shown in the attached draft council order which passed unanimously.

Councilor Oliver motioned to approve item #418-21 as amended which passed unanimously.

Councilor Kalis motion to amend item #423-21 as shown in the attached draft council order which passed unanimously.

Councilor Malakie motioned to approve item #418-21 as amended which passed unanimously.

**417-21            Public Meeting with Comptroller candidates**

PRELIMINARY SCREENING COMMITTEE submitting recommended candidates for the City of Newton Comptroller appointment for review by the Finance Committee and recommendation to the City Council.

**Action:**            Finance Held 8-0

**Note:** The Chair noted that they will be going over the expectations for the upcoming interviews the Finance Committee will be holding on November 29<sup>th</sup>, 2021 for the position of Comptroller.

Michelle Pizzi O'Brien, Human Resources Director presented the attached PowerPoint.

Ms. Pizzi O'Brien suggested that the November 29 meeting begin at 6 p.m. due to the hour and fifteen minutes allocated for each interview. It was also noted that Councilors do have the option to deliberate and take a vote immediately after the interviews instead of having a second meeting on December 2, 2021.

The Committee chose for Councilor Grossman to be the liaison to work with the Human Resources Department on the interview questions which then will be assigned to each member of the Committee.

Councilor Humphrey motioned to hold item #417-21 which passed unanimously.

The Committee adjourned at 8:34 p.m.

**Respectfully submitted,**

**Rebecca Walker Grossman, Chair**

CITY OF NEWTON

IN CITY COUNCIL

DRAFT

ORDERED:

That, in accordance with the recommendation of the Finance Committee through its Chair Rebecca Walker Grossman, to transfer the sum of nine hundred ninety-five thousand dollars (\$995,000) from the General Fund Wage Reserve and the sum of three hundred ninety thousand dollars (\$390,000) from Water fund, Sewer fund and Stormwater fund undesignated fund balances to fund the retroactive portion of the recently ratified Collective Bargaining Agreement between Teamsters Local 25 and the City of Newton, covering Fiscal Years 2020 through FY2024 be and is hereby approved as follows:

FROM:	Reserve Fund-Wage Reserve (0110498-519700).....	\$995,000
	Water Fund-Undesignated fund balance (6000-3599).....	\$185,000
	Sewer Fund- Undesignated fund balance (6100-3599).....	\$125,000
	Stormwater Fund- Undesignated fund balance (6200-3599).....	\$80,000
TO:	Public Buildings Full-time wages (0111502-511002).....	\$175,000
	DPW Full-time wages (0140120-511002).....	\$580,000
	Parks, Rec & Culture Full-time wages (0160252-511002).....	\$240,000
	Water Full-time wages (60A40105-511002) .....	\$185,000
	Sewer Full-time wages (61A40105-511002) .....	\$125,000
	Stormwater Full-time wages (62A40101-511002) .....	\$80,000

Under Suspension of Rules  
Readings Waived and Approved  
DRAFT

(SGD) CAROL MOORE

City Clerk

(SGD) RUTHANNE FULLER

Mayor

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

CITY OF NEWTON

IN CITY COUNCIL

DRAFT

ORDERED:

That, in accordance with the recommendation of the Finance Committee through its Chair Rebecca Walker Grossman, to transfer the sum of two million three hundred forty-five thousand and five hundred dollars (\$2,345,500) from the General Fund Wage Reserve and sixty-five thousand dollars (\$65,000) from the Sewer Fund Undesignated Fund Balance to fund the recently ratified Collective Bargaining Agreement between AFSCME Local 3092/3092B and the City of Newton, covering Fiscal Years 2020,2021 and 2022 be and is hereby approved as follows:

FROM:	Reserve Fund-Wage Reserve (0110498-519700).....	\$2,345,500
	Sewer Fund-Undesignated Fund Balance (6100-3599).....	\$65,000
TO:	City Clerk Full-time wages (0110111-511001).....	\$75,000
	Purchasing Full-time wages (0110538-511001).....	\$45,000
	Assessing Full-time wages (0110641-511001).....	\$40,000
	Treasury Full-time wages (0110745-511001).....	\$70,000
	Information Technology Full-time wages (0111154-511001).....	\$13,000
	Planning & Development Full-time wages (0111475-511001).....	\$160,000
	Public Buildings Full-time wages (0111506-511001).....	\$180,000
	Police Full-time wages (0120111-511001).....	\$525,000
	Fire Full-time wages (0121021-511001).....	\$50,000

Inspectional Services Full-time wages (0122040-511001).....	\$390,000
DPW Full-time wages (0140121-511001).....	\$75,000
Health & Human Services Full-time wages (0150101-511001).....	\$100,000
Senior Services Full-time wages (0150209-511001).....	\$52,500
Library Full-time wages (0160110-511001).....	\$400,000
Parks, Rec & Culture Full-time wages (0160251-511001).....	\$165,000
Historic Newton Full-time wages (0160370-511001).....	\$5,000
Sewer Full-time wages (61A40102-511001) .....	\$65,000

Under Suspension of Rules  
Readings Waived and Approved  
DRAFT

(SGD) CAROL MOORE

City Clerk

(SGD) RUTHANNE FULLER

Mayor

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





# Comptroller of Accounts

*Finance Committee  
November 22, 2021*

City of Newton  
Human Resources Department  
Michelle Pizzi O'Brien, M.P.A., Director  
*Pronouns she/hers/her*

# AGENDA



*Comptroller of Accounts*



*Open Meeting Law and Hiring*



*Update on Recruitment Activity to date*



*Next Stages*



# Comptroller of Accounts

## Section 2-7

### City of Newton Charter



#### Newton Charter Sec. 2-7 – Comptroller of Accounts

City Council shall elect by ballot a Comptroller of Accounts and shall set the compensation. Responsibilities of the Comptroller are outlined Ordinance Sec. 2-159 to 2-181.



# Open Meeting Law

## M.G.L. c. 30A

*Intent is to promote openness and transparency in government. Law outlines the methods in which public bodies conduct business and how to maintain, share and develop records.*

## How does this apply to hiring?



*Public Body must make appointment in Open Session*



*Public Body may create a Preliminary Screening Committee.*



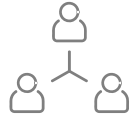
*Preliminary Screening Committee may utilize Executive Session.*

## Executive Session

### Reason 8:

*“To consider or interview applicants for employment or appointment by a preliminary screening committee if the chair declares that an open meeting will have a detrimental effect in obtaining qualified applicants.”*

*Essentially the Preliminary Screening Committee can conduct preliminary interviews but can NOT recommend less than two (2) candidates otherwise they are acting as the parent body. Hence the reason the Finance Committee must interview in Open Session.*



# Timeline

## September 2021

- Former Comptroller notifies the Council of her pending retirement
- President and Chair of the Finance Committee meet with HR
- HR conducts research into the previous hiring process
- HR consults with the Law Department
- President Albright notifies the City Council of the process and the Preliminary Screening Committee (PSC) by letter dated September 22, 2021
- PSC members include:
  - President Susan Albright
  - Councilor/Finance Chair Rebecca Walker Grossman
  - Councilor Christopher Markiewicz
  - Councilor John Oliver
  - Councilor Pamela Wright

## October 2021

- HR conducts compensation study and recommends posting range
- HR surveys the MMA city/town network for best practices
- HR updates the position description and finalizes updated draft
- HR conducts feedback meetings with City Clerk staff
- HR processes internal paperwork to post position
- Position is posted locally, regionally and nationally on October 14, 2021



# Timeline

## November 2021

- PSC holds two working meetings to review resumes, select candidates for interview, plan interview questions and assessments tools.
- PSC conducts first round of interviews on November 12<sup>th</sup> with five (5) candidates.
- PSC recommends three (3) of the five (5) candidates to move forward to a second round of interviews.
- PSC recommends these semi-finalist candidates meet with three Subject Matter Experts (SMEs) on November 16<sup>th</sup>. The SMEs included Councilor Lenny Gentile, Maureen Lemieux, CFO, and Tony Logalbo, retired Town of Concord Finance Director and Newton resident.
- PSC conducts second round interviews with semi-finalists on November 17<sup>th</sup>.
- At their final meeting, the PSC votes to recommend two candidates to the Finance Committee for interviews scheduled for Monday, November 29, 2021.

***PSC meets a total of seven (7) times in October and November 2021 to complete this process. Concludes their work on November 17, 2021.***

# *What is next?*

## Finance Committee Finalist Interviews



1.

2.

3.

4.

### **When?**

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Two meetings scheduled  
Monday, 11/29/21, 6:00 p.m.  
Thursday, 12/2/2021, 7:45 p.m.

### **Timing?**

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Length of Interviews. HR  
recommends 1 hour and 15-  
minute intervals.

### **Format?**

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HR recommends interviewing  
via ZOOM. Scripted  
questions for Finance and an  
open period for other  
members of the Council.

### **Interview Questions?**

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HR recommends that Finance  
designate a liaison to work  
with HR/President to develop  
scripted interview questions.

# Next Steps for the HR team

## *Contingent upon conclusion of this meeting*



- President will notify Finance Committee and the full council of the recommended finalists, with details determined at today's meeting, and guidance from HR/Law on how to conduct professional and lawful employment interviews.



- HR will work with the City Clerk Office to post meeting(s) for interviews and develop the appropriate location/forum to conduct interviews. Coordinate tech needs, etc.



- HR will work with FinCom liaison to develop interview questions and assign questions to members.
- HR will coordinate with candidates and begin to prepare for the final stages of the pre-employment process.







# Questions?

# Let's get to work!

Michelle Pizzi O'Brien. M.P.A., Director  
*City of Newton*  
*Human Resources Department*