



Finance Committee Report

City of Newton In City Council

Monday, June 13, 2022

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

Absent: Councilor Norton

City staff present: Comptroller Stephen Curley, Chief Financial Officer Maureen Lemieux, Manager of Financial Planning and Analysis Perry Rosenfield, Commissioner of Health and Human Services Linda Walsh, Commissioner of Public Buildings Josh Morse, Commissioner of Public Works Jim McGonagle, Commissioner of Parks, Recreation and Culture Nicole Banks, Deputy Commissioner of Parks, Recreation and Culture Marc Welch, Director of Transportation Planning Nicole Freedman and Chief Operating Officer Jonathan Yeo

#329-22 Acceptance of a ~~\$41,760.50~~ \$58,239.50 grant from the Massachusetts Department of Public Health

HER HONOR THE MAYOR requesting the authorization to accept, appropriate and expend the sum of forty-one thousand seven hundred sixty dollars and fifty cents (\$41,760.50) from the Massachusetts Department of Public Health to be used in the City's efforts to enhance the COVID-19 public health response

Action: **Finance Approved as Amended to \$58,239.50 6-0 (Councilor Gentile not voting)**

Note: Linda Walsh, Commissioner of Health and Human Services presented the request to accept, appropriate and expend grant funding from the Massachusetts Department of Public Health. Commissioner Walsh asked the Committee to amend the amount to \$58,239.50. These funds have been spent on Covid-related costs this year.

Councilor Oliver motioned to amend the amount to \$58,239.50 which passed 6-0 with Councilor Gentile not voting.

Councilor Oliver motioned to approve as amended which passed 6-0 with Councilor Gentile not voting.

#331-22 Acceptance of \$198,605 from MassDOT's Shared Streets and Spaces Grant Program
HER HONOR THE MAYOR requesting the authorization to accept and expend a one hundred ninety-eight thousand six hundred and five dollar (\$198,605) grant from the MassDOT's Shared Streets and Spaces Grant program for the Albemarle Traffic Calming and Bike Lanes project.

Action: **Finance Approved 5-0-2 (Councilor Malakie and Gentile abstaining)**

Note: Nicole Freedman, Director of Transportation Planning presented the request to accept and expend a \$198,605 grant from MassDOT's Shared Streets and Spaces Grant Program. Ms. Freedman explained that this is for the traffic calming and bike lane project at Albemarle. There has been stakeholder outreach and over the last year they have created this concept. The cost estimate is \$200,000 with a part of that being held for final design.

Councilors asked the following questions:

Q: Is this project a test or the final design?

A: Ms. Freedman explained that this is a program that's designed to be using paint and flex posts for now.

Q: What happened with the elimination of the right turn lane that there have been concerns about?

A: Ms. Freedman stated that in the northbound direction, taking the right turn onto Crafts Street is legally one lane of traffic as stated in the TPR. The project restores the conditions that are stated in the TPR. It is currently being inappropriately used as a turn lane, which is unsafe. The project will use flex posts to direct vehicles.

Councilors made the following comment:

A Councilor raised concerns that the proposed design of this intersection can create significant safety issues until the larger intersection project is completed.

Ms. Freedman explained that they still have to do a final design process and the vote tonight is to only accept this grant funding. The concept design phase has finished and they are now working with the designer to start the next phase.

Councilor Kalis motioned to approve 5-0-2 which passed with Councilor Malakie and Gentile abstaining.

#332-22 Acceptance of \$48,000 from MassDOT's Shared Streets and Spaces Grant Program

HER HONOR THE MAYOR requesting the authorization to accept and expend a forty-eight thousand dollar (\$48,000) grant from the MassDOT's Shared Streets and Spaces Grant program for the installation of four Rectangular Rapid Flashing Beacons

Action: Finance Approved 7-0

Note: Nicole Freedman, Director of Transportation Planning presented the request to accept and expend a \$48,000 grant from MassDOT's Shared Streets and Spaces Grant Program. This grant is for equipment only and Ms. Freedman explained that the City does have a list of intersections that need Rectangular Rapid Flashing Beacons (RRFB). The Department does have the funds for the installation of these RRFBs. The locations that have been looked at include Brookline and Hartman, Centre and Hyde and others that came out of the Complete Streets Working Group meetings.

Councilors asked the following question:

Q: What is the average amount of RRFBs that are being installed each year?

A: Ms. Freedman explained that in the past, the average is 2-4 per year paid for with \$40,000 of DPW funding in addition to CDBG funding. Jim McGonagle, Commissioner of Public Works explained that they will be installing 10 RRFBs this year which is an increase of what has been historically been done.

Councilor Malakie motioned to approve which passed unanimously.

Referred to Public Safety & Transportation and Finance Committees

#343-22 Appropriation of \$1,625,000 for Fire Rescue Overtime
HER HONOR THE MAYOR requesting authorization to appropriate and expend the sum of one million six hundred twenty-five thousand dollars (\$1,625,000) from the June 30, 2021 Certified Free Cash to Acct # 0121022-513010 Fire Rescue Overtime.
Public Safety & Transportation Approved 6-0 (Councilor Malakie not voting) on 06/08/22

Action: Finance Approved 6-1 (Councilor Noel opposed)

Note: Fire Chief, Greg Gentile along with Maureen Lemieux, Chief Financial Officer presented the request to appropriate and expend \$1,625,000 for Fire Rescue Overtime.

Ms. Lemieux provided the attached reports that relate to the items that are being discussed at tonight's meeting. One of the reports explained all of the funds that were spent out of overtime for the Fire Department. In the financial forecast it is predicted that the City will need to spend approximately \$4 million on overtime, 1-11F (injured on duty), sick leave buy and vacation buy back. A portion of these costs are accounted for in the Fire Department's Budget. The amount that is still needed is the amount being requested tonight. The second page of the report shows what the cost drivers have been and estimates for FY23. Ms. Lemieux noted that there have been staffing shortages throughout the department which has caused some of the extra costs.

Councilors asked the following questions:

Q: Why are these funds requested at the end of the fiscal year and not during or before the budget process?

A: Ms. Lemieux explained that in the past the request was typically for \$200,000 to \$300,000 but the "cancer presumption" has raised these costs. She explained that she needs to find the right number to budget this line item for, but also needs the bandwidth in the budget to do so. This year the city added \$250,000 to the fire overtime budget and they will continue to monitor this item. There were also costs incurred this year that should not occur again.

Q: There were funds allocated for an extra firefighter on the equipment during the winter months. How does this impact the requested amount, and if this has been ongoing, why is it not budgeted for?

A: Ms. Lemieux explained that winter manning is budgeted for and is not part of the requested amount. She explained that it is overtime, but it is budgeted overtime.

Q: Is possible to pay for this request and then figure out what can be budgeted for FY23?

A: Ms. Lemieux explained that the budget has been set for FY23 and the report shows what the expectations are for the next fiscal year. There may be opportunities for operational changes that could help reduce some of the costs. Chief Gentile explained that they can take a look at their overall staffing and try to increase the number of staff in the department so that they do not need to use overtime. This will take some time so that they can figure out the correct number of staff. He also noted that it has been difficult to get cadets into training to fill out the staffing levels. The department also looks at sick time because the department has encouraged its members not to come to work sick.

Q: Why can't the \$1 million dollars that we are projected to have to pay in additional overtime out of free cash next year, which is therefore above and beyond the budget we already approved for FY 23, be incorporated in the budget process?

A: Ms. Lemieux explained that while the City does have cash, what the City does not have is the right amount of ongoing revenue to fund the fire overtime needs. The only way the funds could have been a part of the budget is if they had taken the money from free cash and added that as revenue for next year's budget. The City adheres to adopted financial guidelines. Our bond rating is reliant on following these guidelines. She further explained that one guideline is that the City will only use \$1.5 million of the prior year's free cash to go toward supporting the next year's budget. If some of the estimates for costs decrease over the year it is possible that there will be a decreased request next year.

Councilors made the following comments:

A Councilor raised concerns about approving \$1,625,000 tonight. This should have been added to the budget for the Fire Department. This is a concern for transparency purposes.

Ms. Lemieux noted that they could not put this amount in the budget because that would take \$1,625,000 in funds away from another line item or department. The City does live under a revenue cap, which can only be increased by 2 1/2%, which then affects the overall budget. Approximately \$550,000 of this request was an anomaly for this year.

Councilors commented that the Finance Committee should receive regular updates on overtime costs throughout the year.

A Councilor raised concerns regarding the amount of sick time being used, due to the fact that when the 24 hour work schedule was created, there was an understanding that there will be less sick time used due to overtime costs.

Chief Gentile explained that this is an issue that he and his predecessors have been trying to work on by keeping a close eye on individuals that might be abusing sick time. These issues are addressed immediately when they do occur. He further explained that when they encourage employees to use sick time, it is so they do not come to work sick.

Councilors thanked Chief Gentile and his team for the work they do for the City.

Councilor Kalis motioned to approve which passed 6-1 with Councilor Noel opposed.

Referred to Public Safety & Transportation and Finance Committees

#344-22 Transfer \$75,000 to the Newton Police Department

HER HONOR THE MAYOR requesting authorization to transfer the sum of seventy-five thousand dollars (\$75,000) from Acct #0110952-511001 Human Resources Full Time Salaries, to a project account to provide technical support to the Newton Police Department.

Public Safety & Transportation Approved 7-0 on 06/08/22

Action: Finance Approved 5-2 (Councilors Noel and Humphrey opposed)

Note: George McMains, Lieutenant in the Newton Police Department and Maureen Lemieux, Chief Financial Officer presented the request to transfer \$75,000 from the Human Resources Full Time Salaries account to a project account to provide technical support to the Newton Police Department. Lieutenant McMains explained that in April of this year the IT Director for the Police Department, Steve Smith left the department. There are a number of databases that need to be managed, including Microsoft Access programs which only Mr. Smith and one other person in the City know how to use. The City's IT Department has been helpful during the absence of the previous director.

They will be using these funds to hire a consultant called Delphi. Delphi has programs that would all talk to each other and would get rid of the Access programs. They will come in and help the department during this time of need. Once the new programs are in place, they should be able to run the department with the two employees that are currently working in the department.

Councilors asked the following questions:

Q: Will the department be filling Steve Smith's position?

A: Lieutenant McMains explained that eventually they will need someone full-time. Delphi will assist with training the two existing employees and the programs will be helpful for the department.

Q: Does this need to go out to bid?

A: Ms. Lemieux explained that she does not believe the contract will be for the full \$75,000. They need these programs that are more user friendly. She also noted that this will not be spent by the end of the fiscal year and they hope is by the end of the first quarter they will be able to accomplish a lot with the police data and have a better idea of what they will need for staffing.

Councilors made the following comment:

A Councilor raised concerns that this was not in the budget for FY23 since the funds will not be spent until FY23.

Ms. Lemieux explained that this is a short-term issue to ensure all of the programs for the Police Department are working. There are funds in next year’s budget for a replacement for Steve Smith if that is what is decided. If this decision is not made and Delphi continues to work for the City it should be a part of the FY24 budget. She also noted that they did not know that Steve Smith would be leaving in April. She also noted that there have been saving in salaries that will wash away at the end of the fiscal year, and HR will not be using these funds at this time.

Councilor Kalis motioned to approve which passed 5-2 with Councilors Noel and Humphrey opposed.

Referred to Public Facilities and Finance Committees

#346-22

Transfer \$175,000 to the Snow & Ice Rental/Contractors Account

HER HONOR THE MAYOR requesting authorization to transfer and expend a sum of one hundred seventy-five thousand dollars (\$175,000) from the below accounts to Acct# 0140123-527300 Snow & Ice Vehicle Rental/Contractors:

Snow & Ice Overtime
(0140123-513010)..... \$45,000

June 30, 2021 Free Cash
(0001-3240)..... \$130,000

Public Facilities Approved 6-0 (Councilor Gentile not voting) on 06/08/22

Action: Finance Approved 7-0

Note: Jim McGonagle, Commissioner of Department of Public Works presented the request to transfer \$175,000 to the Snow & Ice Vehicle Rental/Contractors account. Commissioner McGonagle explained that this will allow them to pay their final invoices for contractors for the end of this year.

Maureen Lemieux, Chief Financial Officer also noted that in FY20 and FY21 the City did not need any additional funds for snow and ice removal than what was budgeted for. She does set aside funds for snow and ice removal in free cash, but because the City has been budgeting close to the average amount needed, the amounts requested out of free cash have decreased.

Councilor Noel motioned to approve which passed unanimously.

Referred to Public Facilities and Finance Committees**#347-22 Transfer \$1 million to Transportation Network/Roads Program**

HER HONOR THE MAYOR requesting authorization to transfer the sum of one million dollars (\$1,000,000) from Acct # 0140120-511002 DPW Street Division Full Time Wages to Acct. # 01C40112-553100 to support the continuation of the improvement of the City's Transportation Network/Roads Program.

Public Facilities Approved 6-0 (Councilor Gentile not voting) on 06/08/22

Action: **Finance Approved 7-0**

Note: Jim McGonagle, Commissioner of Public Works presented the request to transfer \$1 million to the Transportation Network/Roads Program. Commissioner McGonagle explained that they currently have their paving contract out to bid which is due next Thursday. This funding will also allow them to execute the contract. There will also be Chapter 90 funds coming out in the next few weeks. There have been staffing shortages this year which is why these funds are available. Commissioner McGonagle also noted that they usually ask for these funds during the winter but due to the pandemic and the budget this did not happen this year. The City does look for outside contracts for this work due to the cost of the capital assets that are needed to complete this road work.

Councilor Humphrey motioned to approve which passed unanimously.

#335-22 Assessment of Curb Betterments

COMMISSIONER OF PUBLIC WORKS requesting approval of the following mentioned sidewalk/driveway apron and/or curb betterments; said betterments to be levied under the provisions of MGL Chapter 83, Sec. 26, authorizing the assessments of betterments for construction:

| Now or Formerly | Address | Book/Page | SBL | Estimate |
|--|---------------------|-----------|----------|------------|
| Raffaella Witkin & Roger Witkin | 271 Crafts Street | 69807/350 | 23-02-01 | \$2,792.00 |
| Daniel A. Kostyk & Brenda Mary O'Sullivan Kostyk | 29 Kewadin Road | 48475/87 | 55-51-09 | \$2,608.00 |
| Fergus O'Donoghue & Carolyn Mansfield | 92 Reservoir Avenue | 77149/112 | 63-27-06 | \$5,744.00 |

Action: **Finance Approved 7-0**

Note: Jim McGonagle, Commissioner of Public Works presented the request to approve the above-mentioned curb betterments. Commissioner McGonagle explained that once these are approved, they will go on the construction list for this summer or fall at the latest.

Councilor Kalis motioned to approve which passed unanimously.

#330-22 Transfer \$50,000 for the Library HVAC System

HER HONOR THE MAYOR requesting authorization to transfer the sum of fifty thousand dollars from Acct # 0160110-511001 Main Library Full Time Salaries to Acct #0160112-524070 Library Building Repairs and Maintenance to fund the emergency repairs to the Library HVAC system

Action: **Finance Approved 7-0**

Note: Josh Morse, Commissioner of Public Buildings presented the request to transfer \$50,000 for emergency repairs to the Library HVAC system. One of the 2 cooling towers has failed and to replace it requires a crane to get it in and out. The new motor is on its way to the City and these funds will be used for the installation. He noted that they only learned about the failure in the system 3 weeks ago.

Maureen Lemieux, Chief Financial Officer explained that there have been salary savings in the Library due to not opening on Sundays. There are also some part-time positions that have not been filled due to the amount of hours the library was open at the beginning of the fiscal year. Commissioner Morse explained that they are working on a larger project to electrify the library's HVAC system.

Councilor Kalis motioned to approve which passed unanimously.

#333-22 Transfer \$24,000 for Public Building Maintenance Overtime

HER HONOR THE MAYOR requesting authorization to transfer the sum of twenty-four thousand dollars from Acct # 0111502-582500 Municipal Building Maintenance Building Improvements to Acct # 1011502-513010 Public Building Maintenance Overtime

Action: **Finance Approved 7-0**

Note: Josh Morse, Commissioner of Public Buildings presented the request to transfer \$24,000 to the Public Building Maintenance Overtime Account. This is strictly an accounting issue. Ms. Lemieux explained that the Comptroller does not have the authority to transfer these funds, which they have been authorized to do in the past through the language of previous budget Council Orders. They will be coming back to the Council so that this language can be readded to the order in the future.

Councilor Kalis motioned to approve which passed unanimously.

#308-22 Transfer \$220,000 to the Building Demolition/Other Repairs

HER HONOR THE MAYOR requesting authorization to transfer the sum of two-hundred thousand twenty dollars (\$220,000) from Acct #0160110-51101, Main Library – Full Time Salaries, to 01C2202-524130 Building Demolition/Other Repairs for the emergency demolition of a residential structure located at 91 Newtonville Avenue.

Action: **Finance Approved 7-0**

Note: Josh Morse, Commissioner of Public Buildings, Maureen Lemieux, Chief Financial Officer and John Lojek, Commissioner of Inspectional Services presented the request to transfer \$220,000 for the emergency demolition of a residential structure located at 91 Newtonville Avenue.

Commissioner Lojek explained that this is a building that has been abandoned for approximately 20 years and it was cited 3 to 5 years ago because it was in such poor condition. The owner did come to City Hall and said he was going to sell the property to a contractor. This did not occur and the owner passed away. He has two sons who are not interested in the property due to the tax liability which is at approximately \$650,000. The City is also owed another \$50,000 in utility costs. This building could fall down at any time and is a danger to the neighbors. There was a group put together with multiple departments involved and a non-biased third party who determined that the building needs to be demolished. The City has received 3 bids. The proposed amount is higher than usual because of the condition and placement of the building. All the materials also have to be disposed of as if they are hazardous because of the unknowns inside of the house.

Councilors asked the following questions:

Q: Why didn't the City act sooner with trying to collect the back taxes?

A: Ms. Lemieux explained she was unaware of the back story of this building. She noted that most properties do not owe the City nearly as much money, so this is typically not an issue. The City will look closer at these properties to ensure the City will not take a loss in the future.

Q: How did the condition of the house get so bad?

A: Commissioner Lojek explained that Inspectional Services was not aware of the house until there was a complaint filed around 6 years ago. Since then, the roof and the floors on the house have collapsed, which has made this house more dangerous.

Councilor Gentile motioned to approve which passed unanimously.

Referred to Programs & Services and Finance Committees

#339-22 Transfer \$125,000 from the Current Year Budget Reserve

HER HONOR THE MAYOR requesting authorization to transfer the sum of \$125,000 from Acct # 0110498-579000 Current Year Budget Reserve to fund engineering consultants required for the design of the turf fields at the high schools.

Program & Services Approved 7-0 on 06/08/22

Action: Finance Approved 7-0

Note: Nicole Banks, Commissioner of Parks, Recreation and Culture and Marc Welch, Deputy Commissioner presented the request to transfer \$125,000 to fund engineering consultants required for the design of the turf fields at the high schools. Commissioner Banks explained that the fields have

come to the end of their useful life and while doing this project they will also be looking at the condition of the tracks.

Maureen Lemieux, Chief Financial Officer explained that the actual replacement of the turf fields is in the CIP. Those funds will be bonded. For this part of the project, if the City were to bond the funds, they only could do so for five years.

Councilors asked the following questions:

Q: What is the balance of the current year budget reserves?

A: Mr. Curley noted that the balance will be approximately \$13,000 if this item is approved.

Q: Why isn't this coming out of the ARPA funds when the funds for the lighting are?

A: Ms. Lemieux explained that the lights are a different project. There have been changes to high school start times so kids are on the fields later into the evening. The fields would need to be replaced with or without Covid.

Councilors made the following comment:

There should be a public hearing for each location before construction begins and it is important that this work can happen as soon as possible.

Councilor Oliver motioned to approve which passed unanimously.

Referred to Programs & Services and Finance Committees

#340-22

Appropriation of \$184,244 from June 30, 2021 Certified Free Cash

HER HONOR THE MAYOR requesting authorization to appropriate and expend the sum of one hundred eighty-four thousand two hundred and forty-four dollars (\$184,244) from June 30, 2021 Certified Free Cash to resurface the tennis court complex at Newton North High School comprising of 10 courts.

Program & Services Approved 7-0 on 06/08/22

Action:

Finance Approved 7-0

Note: Nicole Banks, Commissioner of Parks, Recreation and Culture presented the request to appropriate and expend \$184,244 to resurface the tennis court complex at Newton North High School comprising of 10 courts. The full resurfacing for these courts are recommended every 8 to 10 years and these courts have come to the end of their useful life. The PRC has worked with the Friends of Newton Tennis to determine that these tennis courts were at the top of the priority list.

Councilors asked the following questions:

Q: There are trees that hang over these fields that can lead to further damage to the courts due to the falling leaves. Is there a plan to minimize this after installing the new courts?

A: Commissioner Banks explained that they will be working on this through the resurfacing. They are also working on creating a volunteer group to keep up with cleaning in the shady areas.

Q: Are these projects bid out?

A: Commissioner Banks explained that this project went out to bid and once approved by the City Council the bid can be awarded. This bid will go to the lowest bidder but the department also looked at work performance to make this decision.

Councilors made the following comment:

There should be a further discussion on the status of all the tennis courts in Newton.

Councilor Kalis motioned to approve which passed unanimously.

Referred to Programs & Services and Finance Committees

#341-22 Transfer \$80,000 from the PRC Public Grounds Maintenance Full Time Wages

HER HONOR THE MAYOR requesting authorization to transfer the sum of eighty thousand dollars (\$80,000) from Acct #1060252-511002, PRC Public Grounds Maintenance Full Time Wages to the following accounts:

| | |
|---|----------|
| Beaut-Grounds Maint (0160238-546000)..... | \$12,000 |
| Public Grounds Maint (0160252-546000)..... | \$13,000 |
| Public Grounds Maint (0160252-546000)..... | \$30,000 |
| Rec Bldg's- Electricity (0160237-521000)..... | \$15,000 |
| Rec Vehicles- Gas/Diesel (0160236-548000)..... | \$10,000 |

Program & Services Approved 7-0 on 06/08/22

Action: Finance Approved 7-0

Note: Nicole Banks, Commissioner of Parks, Recreation and Culture presented the request to transfer \$80,000 from Acct #1060252-511002, PRC Public Grounds Maintenance Full Time Wages to the above-mentioned accounts. These funds will be used towards several projects that include the pet waste barrels which will eventually be paid out of the overall license fees. There is also a project with Levingston Cove and the wall at the Jackson Homestead.

Commissioner Banks also noted that they have had several positions they haven't been able to fill which is why these funds were available.

Councilor Oliver motioned to approve which passed unanimously.

Referred to Programs & Services and Finance Committees

#342-22 Transfer \$360,000 to a Parks, Recreation and Culture Account

HER HONOR THE MAYOR requesting authorization to transfer and expend a sum of three hundred sixty thousand dollars (\$360,000) from the below accounts to a Parks, Recreation and Culture project account to fund the resurfacing of the Newton Centre Playground.

Financial Services-Savings from Attrition
(0111049-511001)..... \$280,000
I.T.- Savings from Attrition
(0111154-511001)..... \$80,000

Program & Services Approved 7-0 on 06/08/22

Action: Finance Approved 6-0-1 (Councilor Oliver abstaining)

Note: Nicole Banks, Commissioner of Parks, Recreation and Culture presented the request to transfer \$360,000 to fund the resurfacing of the Newton Centre Playground. Commissioner Banks explained that this was installed in 2006 and is about 16 years old. The department has maintained the surface through patching and it has now come to the end of its useful life. She also noted that the goal is to have this accessible surface at all of the parks in Newton. There are currently 19 in the City out of approximately 67 playgrounds.

Councilor Noel motioned to approve which passed 6-0-1 with Councilor Oliver abstaining.

#337-22 Appropriation of \$4,632,500 from June 30, 2021 Certified Free Cash

HER HONOR THE MAYOR requesting authorization to appropriate the sum of four million six hundred thirty-two thousand five hundred dollars (\$4,632,500) from June 30, 2021 Certified Free Cash to Acct # 01C10701-576300 ATB Interest to hold in reserve for a potential liability for an Appellate Tax Board Case filed by Eversource.

Action: Finance Approved 6-0 (Councilor Gentile not voting)

Note: Maureen Lemieux, Chief Financial Officer presented the request to appropriate the sum of \$4,632,500 from June 30, 2021 Certified Free Cash to Acct # 01C10701-576300 ATB Interest to hold in reserve for a potential liability for an Appellate Tax Board Case filed by Eversource. Ms. Lemieux submitted the attached memo regarding this item. She noted that 10 years ago, the City, along with a number of other communities changed how they were assessing personal property taxes on the utilities. Eversource did fight this new way of assessing and has continued to appeal this decision. Eversource has lost the court case in a number of communities but has not dropped any of their cases. Eversource owed approximately \$8 million in taxes and they have accrued \$4.6 million worth of interest. When Eversource lost their case in Springfield, they started to contacting different Treasury

offices to understand exactly what their payout would be. Eversource has now paid the interest but has not withdrawn their appeals. Now if the City loses the case they would owe all of the money that Eversource has paid to date, in addition to an 8% interest payment for every day the City has their money. The \$8 million is sitting in the overlay account but they needed to find a way to hold the \$4.6 million. If the City did not have extra free cash this year then it would have to be reported as a general fund revenue and then drop to free cash in September. But instead, the administration decided to come to the City Council now for this approval. The City is also setting aside funds to pay for the tax liability.

Councilors asked the following question:

Q: What is the average amount of free cash that is rolled over each year?

A: Ms. Lemieux explained that in 3 out of the past 5 years there has been \$1.5 million. She also provided the attached report which shows how much free cash was certified from FY17 to FY22 and what was done with these funds. This document also shows what was left over.

Councilors made the following comments:

Concerns were raised that the \$4.6 million that was available in free cash this year should have been spent on other needs in the City, instead of using it for this item, especially where nothing is likely to occur on this case before free cash will next be certified in the fall.

Ms. Lemieux noted that keeping these funds in free cash would mean that they would be double counted in October. If the Council chooses not to approve this item, then as soon as free cash is redeclared in October, the administration would be coming back for the same request.

It was noted that if the Eversource case did not happen the City would have this \$4.6 million in Free Cash this year. These funds could have been spent on a number of issues the City is facing and it was questioned why it was not spent.

Ms. Lemieux noted that the City has spent approximately \$2 million on the items tonight that did not come from free cash. In a usual year, those funds would have come out of free cash. It is also not the intent of the administration to spend all of the free cash in a fiscal year to account for different projects, including snow and ice removal.

It was noted that the funds that were spent tonight, would have dropped to free cash for the next fiscal year if they were not spent tonight.

Councilor Malakie motioned to approve which passed 6-0 with Councilor Gentile not voting.

#338-22 Appropriation of \$161,502.03 for the Newton Lease Settlement Assessment

HER HONOR THE MAYOR requesting authorization to appropriate and expend the sum of one hundred sixty-one thousand five hundred two dollars and three cents (\$161,502.03) from Acct # 0110851-511001 Law Dept Full Time Salaries to an account that will cover the Newton Lease Settlement Assessment that has been charged to the Newton Public Schools as part of the dissolution costs incurred by the EDCO Collaborative.

Action: **Finance Approved 7-0**

Note: Liam Hurley, Assistant Superintendent of the Newton Public Schools and Maureen Lemieux, Chief Financial Officer presented the request to appropriate and expend \$161,502.03 to fund the Newton Lease Settlement Assessment that has been charged to the Newton Public Schools as part of the dissolution costs incurred by the EDCO Collaborative.

Mr. Hurley explained that EDCO is an education collaborative in Bedford, MA that will be shutting its doors. This is a quasi-public agency that is based on providing special education services to member communities. All of the communities involved need to pay an assessment which is based on the number of students that are enrolled from each community. This is a final payment to settle that agreement and there should be no more obligations after this payment.

Councilors asked the following questions:

Q: Why did this payment become due when the collaborative is dissolving?

A: Mr. Hurley explained that they have been anticipating this expense. They had a long negotiation with the landlord and the final invoice came in 2 months ago. The School Department has been reporting this cost to the School Committee. In this case Newton is like a shareholder, so there was a need to contribute to the closing costs. The typical annual dues amount was carried in the budget, which was paid for this year.

Q: How many Newton educators were attending these programs?

A: Mr. Hurley explained that they would have around 50 teachers attending these programs.

Q: Has NPS thought of a replacement program?

A: Mr. Hurley explained that a lot of professional development is available online and there are programs that they run in-house. They have not named a new collaborative at this point.

Q: Did the City co-sign a lease with the collaborative and if so, is that why the City owes these funds?

A: Mr. Hurley explained that to his knowledge they were not a cosigner but this has been looked at by multiple legal teams and it was determined that all districts were responsible for their portion of the closing costs.

Councilor Gentile motioned to approve which passed unanimously.

#334-22 **Appropriate \$106,520 to cover the cost of FY22 Non-Contributory Retirement System**
HER HONOR THE MAYOR requesting authorization to appropriate and expend the following amounts to cover the full cost of FY22 Non-Contributory Retirement System appropriation for each of the Water, Sewer, and Stormwater Enterprise.

| <u>Acct Description</u> | <u>From Acct #</u> | <u>To Acct#</u> | <u>Amount</u> |
|------------------------------|--------------------|-----------------|---------------|
| Current Year Reserve - Water | 60A10498-579000 | 60A10491-570700 | \$ 69,095 |
| Current Year Reserve - Sewer | 61A10498-579000 | 61A10491-570700 | \$ 32,225 |
| Current Year Reserve – Storm | 62A10498-579000 | 62A10491-570700 | \$ 5,200 |

Action: **Finance Approved 6-0 (Councilor Gentile not voting)**

Note: Maureen Lemieux, Chief Financial Officer presented the request to appropriate and expend the above amounts to cover the full cost of FY22 Non-Contributory Retirement System appropriation for each of the Water, Sewer, and Stormwater Enterprise funds.

Councilor motioned to approve which passed 6-0 with Councilor Gentile not voting.

#309-22 **Transfer \$200,000 to the Newton Communications Access Center, Inc. (NewTV)**
HER HONOR THE MAYOR requesting authorization to transfer and expend a sum of two hundred thousand dollars (\$200,000) from the PEG Access and Cable Related Fund to the Newton Communications Access Center, Inc (NewTV) to be used by NewTV to maintain a high level of services, including governmental services at City Hall during this period of declining cable TV revenues.

Action: **Finance Approved 7-0**

Note: Bob Kelly, NewTV representative and Maureen Lemieux, Chief Financial Officer presented the request to transfer \$200,000 to be used by NewTV to maintain a high level of services, including governmental services at City Hall during this period of declining cable TV revenues.

Ms. Lemieux explained that when the City entered into the most recent contract with NewTV it was agreed that NewTV would receive a portion of the PEG access and Cable Related Fund. She noted that the City has agreed to review this percentage based on the need and what the revenues are from the cable companies.

Mr. Kelly provided the attached document to express the needs of NewTV.

Councilor Kalis motioned to approve which passed unanimously.

#327-22 **Authorization to provide a supplemental appropriation to the Newton Public Schools**
HER HONOR THE MAYOR requesting authorization to provide a supplemental appropriation to the Newton Public Schools in the amount of five hundred thirty-eight thousand five hundred and eighty-nine dollars (\$538,589) which is equal to the reimbursement that the City has received to the General Fund from the Massachusetts COVID-19 Emergency Paid Sick Leave.

Action: **Finance Approved 7-0**

Note: Liam Hurley, Assistant Superintendent of the Newton Public Schools and Maureen Lemieux, Chief Financial Officer presented the request to provide a supplemental appropriation to the Newton Public Schools in the amount of \$538,589 which is equal to the reimbursement that the City has received to the General Fund from the Massachusetts COVID-19 Emergency Paid Sick Leave. This is payment for costs that have already been spent on substitutes for Covid sick leave during the pandemic.

Councilor Noel motioned to approve which passed unanimously.

The Committee adjourned at 11:05 pm

Respectfully Submitted,

Rebecca Walker Grossman, Chair

| | | Finance Agenda Items | | | | |
|----------------------|---|----------------------|------------------------------------|---|---|-------------------|
| | | 13-Jun-22 | | | | |
| <u>Docket Number</u> | <u>Purpose</u> | <u>Free Cash</u> | <u>Current Year Budget Reserve</u> | <u>Transfers Within Same Department</u> | <u>Transfers from One Department to Another</u> | <u>Other</u> |
| #343-22 | Fire Overtime | \$ 1,625,000 | | | | |
| #344-22 | Police Technical Support | | | | \$ 75,000 | |
| #346-22 | Snow & Ice Removal | \$ 130,000 | | \$ 45,000 | | |
| #347-22 | Paving | | | \$ 1,000,000 | | |
| #330-22 | Library HVAC | | | \$ 50,000 | | |
| #333-22 | Pub Bldgs Special Project Overtime | | | \$ 24,000 | | |
| #308-22 | Demolition 91 Newtonville Ave | | | | \$ 220,000 | |
| #339-22 | Eng'g Consultants High School Turf Fields | | \$ 125,000 | | | |
| #340-22 | Newton North Tennis Courts | \$ 184,244 | | | | |
| #341-22 | Levingston Cove, Jackson Homestead Wall, Pet Waste Collection, etc. | | | \$ 80,000 | | |
| #342-22 | Newton Centre Playground Resurfacing | | | | \$ 360,000 | |
| #337-22 | Eversource Appellate Tax Board Reserve | \$ 4,632,500 | | | | |
| #338-22 | EDCO Dissolution Settlement | | | | \$ 161,502 | |
| #334-22 | Water/Sewer/Stormwater Pensions | | | \$ 106,520 | | |
| #309-22 | CATV Revenue to NewTV | | | | | \$ 200,000 |
| #327-22 | NPS Supplemental Appropriation - COVID 19 Emergency Paid Sick Leave State Reimbursement | | | | | \$ 538,589 |
| | TOTAL BY FUNDING SOURCE | \$ 6,571,744 | \$ 125,000 | \$ 1,305,520 | \$ 816,502 | \$ 738,589 |

6/12/2022

FREE CASH UTILIZATION - FY17 THROUGH FY22

| <i>mll</i> | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 |
|---|---------------|---------------|---------------|---------------|--------------|---------------|
| Certified Free Cash | \$ 12,738,425 | \$ 11,153,092 | \$ 11,909,715 | \$ 11,706,532 | \$ 7,381,282 | \$ 12,931,618 |
| Amount Toward Next Year's Budget | \$ 1,500,000 | \$ 1,500,000 | \$ 1,800,000 | \$ 4,000,000 | \$ 1,500,000 | \$ 1,500,000 |
| Snow & Inclement Weather | \$ 1,750,000 | \$ 3,350,000 | \$ 750,000 | \$ - | \$ - | \$ 130,000 |
| Rainy Day Fund - Maintain 5% | \$ - | \$ 350,000 | \$ 240,000 | \$ - | \$ 1,000,000 | \$ 800,000 |
| Establish Non-Lapsing COVID Acct | \$ - | \$ - | \$ - | \$ 1,000,000 | \$ - | \$ - |
| Roads Program | \$ 3,600,000 | \$ - | \$ 3,000,000 | \$ 3,000,000 | \$ - | \$ 1,500,000 |
| Fire Overtime | \$ - | \$ 600,000 | \$ 300,000 | \$ - | \$ 1,200,000 | \$ 1,625,000 |
| Police Overtime | \$ - | \$ - | \$ - | \$ - | \$ 200,000 | \$ - |
| Technology Upgrades | | | | | | |
| Munis | \$ - | \$ 1,507,105 | \$ - | \$ - | \$ - | \$ 250,000 |
| NewGov - Permitting Software | \$ - | \$ - | \$ - | \$ - | \$ 1,137,285 | \$ - |
| SAN (Storage Area Network) & Firewall | \$ - | \$ - | \$ - | \$ - | \$ 500,000 | \$ - |
| Public Safety Communications Infrastructure Updates | \$ 1,100,000 | \$ 1,210,000 | \$ - | \$ - | \$ - | \$ - |
| Collective Bargaining Agreements | | | | | | |
| Fire Department | \$ - | \$ - | \$ - | \$ 900,000 | \$ - | \$ - |
| Police Department | \$ 250,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Legal Settlements | | | | | | |
| Fire Department | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,565,000 |
| Police Department | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Foremen's Union | \$ - | \$ - | \$ - | \$ 420,000 | \$ - | \$ - |
| NPS Appropriations | | | | | | |
| Additional Chapter 70 Allocation | \$ - | \$ 100,000 | \$ - | \$ - | \$ - | \$ - |
| Modular Classrooms/Brown & South | \$ 600,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| McKinney Vento - Homeless Transportation | \$ - | \$ - | \$ 28,804 | \$ 11,706 | \$ 23,458 | \$ - |
| 687 Watertown St (NECP) Site Remediation | \$ - | \$ - | \$ - | \$ 300,000 | \$ - | \$ - |
| E-Rate Technology Program | \$ - | \$ - | \$ - | \$ 41,869 | \$ - | \$ - |
| Horace Mann Move to Carr | \$ - | \$ - | \$ - | \$ 650,000 | \$ - | \$ - |
| Horace Mann Improvements | \$ - | \$ - | \$ - | \$ 150,000 | \$ - | \$ - |
| Lincoln Elliot Windows | \$ - | \$ - | \$ 150,000 | \$ - | \$ - | \$ - |
| 150 Jackson Road NECP | \$ - | \$ - | \$ 1,300,000 | \$ - | \$ - | \$ - |
| Newton South Boiler Replacement | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 224,510 |
| Newton North Tennis Courts | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 184,244 |
| DPW Projects | | | | | | |
| West Newton Square | \$ 371,000 | \$ 120,000 | \$ - | \$ - | \$ - | \$ - |
| Newtonville | \$ 400,000 | \$ 147,411 | \$ - | \$ - | \$ - | \$ - |
| Washington Street Corridor | \$ - | \$ 500,000 | \$ 650,000 | \$ - | \$ - | \$ - |
| Washington Street Pilot - HCA Funds | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 500,000 |
| Oak & Christina | \$ - | \$ 700,000 | \$ - | \$ - | \$ - | \$ - |
| Landscaping - Newton Corner | \$ - | \$ 175,000 | \$ - | \$ - | \$ - | \$ - |
| Dedham @ Nahanton @ Brookline | \$ 75,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Comm Ave Greening Improvements | \$ - | \$ - | \$ - | \$ 200,000 | \$ - | \$ - |
| Library Parking Lot | \$ - | \$ - | \$ 175,000 | \$ - | \$ - | \$ - |
| Generator for Elliot St Fuel Tanks | \$ - | \$ 75,000 | \$ - | \$ - | \$ - | \$ - |

6/12/2022

FREE CASH UTILIZATION - FY17 THROUGH FY22

| <i>mll</i> | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 |
|--|---------------|---------------|---------------|---------------|--------------|---------------|
| Certified Free Cash | \$ 12,738,425 | \$ 11,153,092 | \$ 11,909,715 | \$ 11,706,532 | \$ 7,381,282 | \$ 12,931,618 |
| <u>Buldings Projects</u> | | | | | | |
| NewCAL | \$ - | \$ - | \$ 400,000 | \$ - | \$ - | \$ - |
| Fire Station 1 & 2 Upgrades | \$ - | \$ - | \$ 300,000 | \$ - | \$ - | \$ - |
| Senior Center Feasibility | \$ - | \$ 100,000 | \$ - | \$ - | \$ - | \$ - |
| 1294 Centre Street | \$ - | \$ 150,000 | \$ - | \$ - | \$ - | \$ - |
| | | | | | | |
| <u>Equipment</u> | | | | | | |
| DPW Snow Equipment | \$ 300,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2 Trash Compactors - Rumford Ave | \$ - | \$ - | \$ - | \$ 88,000 | \$ - | \$ - |
| DPW Electricity & Knock Downs | \$ - | \$ 200,000 | \$ - | \$ - | \$ - | \$ - |
| | | | | | | |
| <u>Police Items</u> | | | | | | |
| Police Firing Range, Cruiser & Truck | \$ 215,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Police Laptops | \$ - | \$ 106,000 | \$ - | \$ - | \$ - | \$ - |
| Police Training | \$ - | \$ - | \$ - | \$ - | \$ 300,000 | \$ - |
| | | | | | | |
| <u>Fire Dept Items</u> | | | | | | |
| Fire Extractors & Dryers | \$ - | \$ 33,739 | \$ - | \$ - | \$ - | \$ - |
| Fire SCBA Bottles | \$ - | \$ 121,770 | \$ - | \$ - | \$ - | \$ - |
| | | | | | | |
| <u>Parks & Recreation</u> | | | | | | |
| Trees & Stumps | \$ 500,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Parks & Rec - Fencing Repairs | \$ - | \$ 100,000 | \$ - | \$ - | \$ - | \$ - |
| Additional Contribution to Pensions | \$ - | \$ - | \$ 766,961 | \$ - | \$ - | \$ - |
| Fire Dept Expenses | \$ - | \$ - | \$ 95,000 | \$ - | \$ - | \$ - |
| State Income Tax Discrepancy | \$ - | \$ - | \$ - | \$ 85,000 | \$ - | \$ - |
| Interest Set-Aside - Eversource Tax Case | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 4,632,500 |
| | | | | | | |
| TOTAL FREE CASH APPROPRIATIONS | \$ 10,661,000 | \$ 11,146,025 | \$ 9,955,765 | \$ 10,846,575 | \$ 5,860,743 | \$ 12,911,254 |
| FREE CASH REMAINING | \$ 2,077,425 | \$ 7,067 | \$ 1,953,950 | \$ 859,957 | \$ 1,520,539 | \$ 20,364 |
| Yellow Highlight Indicates Pending Docket Items | | | | | | |

Cassidy Flynn

From: Bob Kelly <bobk@newtv.org>
Sent: Monday, June 13, 2022 4:59 PM
To: Cassidy Flynn
Subject: NewTV PEG Funding
Attachments: NewTV PEG Revenue Decline due to Cable TV Cord Cutting.docx

[DO NOT OPEN links/attachments unless you are sure the content is safe.]

Dear Esteemed City Councillors,

The Mayor has requested an appropriation from the PEG Enterprise Fund in the amount of \$200,000.00 to supplement NewTV's annual operating budget. This is a similar request to the one that was submitted to you on June 21, 2021 prior to the end of the fiscal year.

NewTV continues to experience declining PEG (Public, Education and Government) revenues from cable television subscribers due to cord cutting. More and more consumers are vacating their cable packages and converting to streaming internet services which do not pay into the PEG Enterprise Fund. NewTV relies on funding derived from cable subscriptions to operate its facility and provide top quality services to Newton residents.

From 1992 to 2019 this funding was appropriate and sufficient. However, in the past 3+ years our funding has taken a substantial hit. Should the Finance Committee and City Council as a whole approve this request, NewTV will be able to maintain its studios and the proper staffing to continue on as the Best Community Media Center in the nation for yet another year.

Attached is a graphic that clearly shows the impact cord cutting has had on NewTV over the past 7 years.

Thank you for your consideration and support of NewTV.

Respectfully,

Robert S. Kelly
Executive Director

NewTV PEG Revenue Decline due to Cable TV Cord Cutting City Council Finance Committee

June 13, 2022

| Year | Cable Subscribers | NewTV 4% Share | Variance | Notes |
|-------------------|-------------------|----------------|--------------|----------|
| FY17 | 27199 | \$1,442,163.20 | | |
| FY18 | 26413 | \$1,438,566.68 | -\$3,596.52 | vs FY17 |
| FY19 | 25241 | \$1,365,132.28 | -\$73,434.40 | vs FY18 |
| FY20 | 23612 | \$1,326,053.33 | -\$39,078.95 | vs FY19 |
| FY21 | 21150 | \$1,249,399.55 | -\$76,653.78 | vs FY20 |
| FY22 | 19256 | \$1,211,356.98 | -\$38,042.57 | vs FY21 |
| Proj. FY23 @ 4% | 17492 | \$1,170,015.28 | -\$41,341.70 | *vs FY22 |
| Proj. FY23 @ 4.5% | | \$1,316,267.10 | \$146,251.98 | |
| Proj. FY23 @ 5% | | \$1,462,519.00 | \$281,667.57 | |