



Finance Committee Report

City of Newton In City Council

Monday, December 12, 2022

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

City staff present: Comptroller Steve Curley, Chief Financial Officer Maureen Lemieux, Deputy Director of Planning and Development Barney Heath, Senior Financial Analyst Perry Rosenfield, Commissioner of Inspectional Services John Lojek, Deputy City Solicitor Jonah Temple

#550-22 Acceptance of \$75,000 from the FY23 Massachusetts State Budget
HER HONOR THE MAYOR requesting authorization to accept and expend a seventy-five-thousand-dollar (\$75,000) earmark in the FY23 Massachusetts state Budget for the Newton in Motion (NewMo) program.

Action: **Finance Approved 6-0 (Councilor Oliver Abstaining)**

Note: Director of Planning and Development Barney Heath stated that this grant is part of the Department's continued efforts to uncover revenue sources for the NewMo program.

Councilors asked the following questions:

Q: Will these earmarked funds be granted in the future?

A: Mr. Heath stated that he is unable to know for certain at this point, though he is hopeful that this funding will continue.

Q: Was there a recent expansion of vehicles in the NewMo program?

A: Mr. Heath stated that there was an increase by one additional vehicle, expanding the fleet to eight or nine vehicles. He added that they currently have two electric vehicles in the fleet and aim to have a fully electric fleet by the end of 2023.

Q: Is NewMo profitable on its own or will it be disbanded if there are not future grant funds?

A: Mr. Heath stated that the Department is preparing a docket item to give a full briefing to the City Council regarding NewMo's finances and its future in January of 2023. He added that former Director of Transportation Planning Nicole Freedman has kept a spreadsheet of the program's finances.

Councilors made the following comments:

A Councilor stated that based on prior conversations in the Finance Committee regarding NewMo's finances, the program is not profitable and is being subsidized. The Councilor agreed that the conversation in January should include NewMo's future.

Mr. Heath stated that there is a new grant program funded by the MBTA that the department is applying for. He added that they are consistently finding new revenue streams to support NewMo.

Councilor Kalis motioned to approve the item, which passed unanimously.

#551-22 Request to transfer \$150,000 from Current Year Wage Reserve Accounts
HER HONOR THE MAYOR requesting authorization to transfer the sum of one hundred fifty thousand dollars (\$150,000) from Acct #0110498-5197 Current Year Wage Reserve Account to Acct #0160252-511001 PRC Public Grounds Maintenance Full Time Salaries.

Action: **Finance Approved 8-0**

Note: Chief Financial Officer Maureen Lemieux stated that this money is to supplement the Parks, Recreation, and Culture (PRC) Department's budget. A contract between the City and the Foreman's Union has been settled, under which multiple members of the PRC Department are owed retroactive raises. She added that the department has been fortunate to have very few vacancies in this department as labor shortages impact the country.

Councilors asked the following questions:

Q: How many employees are in the union?

A: Ms. Lemieux stated that membership for this union is somewhere in the low twenties. Senior Financial Analyst Perry Rosenfield was able to confirm that five members of the Union work in the PRC Department.

Q: Does the \$150,000 cover the entire sum of what was agreed to under the collective bargaining agreement?

A: Ms. Lemieux stated the \$150,000 is the full sum of the agreement. She added that this funding will include Cost of Living wage increases and any outstanding overtime compensation from FY20 until now.

Q: Was this anticipated in this year's budget?

A: Ms. Lemieux stated that the Wage Reserve Account was around \$2.6 million. She added that each year, they estimate the current year impact of any outstanding contracts, and any money

leftover gets carried forward to address any retroactive payments.

Councilor Kalis motioned to approve the item, which passed unanimously.

#530-22 Transfer \$174,000 to the Building Demolition/Other Repairs

HER HONOR THE MAYOR requesting authorization to transfer the sum of one-hundred and seventy-five thousand dollars (\$174,000) from June 30, 2022, Certified Free Cash, to 01C2202-524130 Building Demolition/Other Repairs for the emergency demolition of a residential structure located at 91 Newtonville Avenue.

Finance Held 7-0 on 11-28-22

Action: Finance Approved 8-0

Note: Commissioner of Inspectional Services John Lojek explained that this has been the most difficult project that he has seen in 18 years in this role. He stated that it was a large, unstable structure in an exceptionally difficult location. Commissioner Lojek stated that an emergency committee consisting of himself, Fire Chief Gentile, a structural engineer, and Director of Public Works James McGonagle quickly determined that the building was unsafe and had to come down. He added that since the building was too dangerous to enter, there was no way for them to determine whether there were any hazardous materials in the building. This required the City to dispose of the entire building as if it were hazardous materials. The bulk of the cost is to finish paying contractors, subcontractors, police and fire details, rodent control, and the temporary relocation of the neighbors behind the building.

Councilors asked the following questions:

Q: Were these funds spent before the item was docketed for City Council approval?

A: Commissioner Lojek stated that this project went over the initial budget but could not stop or be held in order to wait for more funding. He added that continuing the project as quickly as possible was crucial for public safety and the convenience of the abutters.

Q: When did it became clear that the budget for this project would be exceeded?

A: Mr. Lojek stated that since they were unable to explore the building and determine if there was any hazardous material, the Department of Environmental Protection (DEP) stated that the entire building would need to be disposed of as hazardous materials. It took 17 truckloads at \$9,650 per truckload to dispose of the material properly. They had initially assumed that they would not have to dispose of the entire building as hazardous material.

Q: Were the City's legal interests in the property protected?

A: Deputy City Solicitor Jonah Temple stated that the City has hired a tax, title, and foreclosure law firm to handle this matter. He added that this is a straightforward process, and he has been

working closely with them. Atty. Temple also stated that he had spent a lot of time putting together a bill to be recorded for all the City's demolition costs, which will be a part of the recovery after foreclosure and sale.

Q: Where did the initial funding for this project come from?

A: Ms. Lemieux stated that she believed that funding came from Free Cash initially. Comptroller Steve Curley stated that \$220,000 was taken from library full time salaries on 6-21-22.

Q: What will the process be in the future to prevent retroactive emergency approvals for money?

A: Commissioner Lojek stated that ISD has an emergency demolition fund for this purpose. The fund has only been used a few times in the past 20 years. Mr. Lojek also stated that he hopes to replenish this fund after the project is settled. The account is currently at just under \$44,000.

Councilors made the following comments:

It was stated that the City should be more aggressive in the future in pursuing lost property taxes. The City used to publish this information in the newspaper which was effective in receiving payment on the property taxes.

Ms. Lemieux stated that this list is still published.

Atty. Temple stated that the Law Department has been working closely with the Treasurer to build a list of residents with large property tax balances and plans to begin taking steps to avoid a large back-tax bill like the 91 Newtonville property.

A Councilor stated that they had filed a docket item to discuss how to intervene and prevent a tax bill of this size from being incurred in the future, as well as to understand protocols in place in the City with respect to abandoned properties.

Commissioner Lojek stated that this instance is a rarity given the property values in Newton. He added that this is only the second building he has had to demolish in 18 years.

Ms. Lemieux stated that these invoices have not been paid yet, and should this funding not be approved, they will make cuts to other departments or projects to find the money necessary. She added that there should be a policy in place moving forward that will require the City Council to be notified if something is a public safety emergency that needs to be acted on immediately before getting formal authorization.

Councilor Gentile motioned to approve the item, which passed unanimously.

#548-22 Appropriate \$9,000 for the Commerce Insurance Company Settlement
HER HONOR THE MAYOR requesting authorization to appropriate and expend the sum of nine thousand (\$9,000) from Acct. #0110841-572500 Legal Claims and Settlements for full and final settlement of *Commerce Insurance Company v. City of Newton (Claim #20-707)*.

Action: Finance Approved 8-0

Note: Please see note for item #549-22 below.

#549-22 Appropriate \$6,256.71 for the Mark Visco Settlement
HER HONOR THE MAYOR requesting authorization to appropriate and expend the sum of six thousand two hundred fifty-six dollars and seventy-one cents (\$6,256.71) from Acct. #0110841-572500 Legal Claims and Settlements for full and final settlement of *Mark Visco v. City of Newton (Claim #22-109)*.

Action: Finance Approved 8-0

Note: Deputy City Solicitor Jonah Temple presented both items #548-22 and #549-22. These lawsuits are regarding two motor vehicle accidents involving city vehicles. Atty. Temple added that the Law Department has determined that it is in the best interest of the City to settle both of these lawsuits.

Councilors asked the following questions:

Q: How were the amounts determined?

A: Atty. Temple stated that the amount for #549-22 was based on the cost to repair the claimant's vehicle. The claimant presented an estimate that was vetted and approved by the City. Atty. Temple stated that the amount for #548-22 was mostly vehicle repairs, but also covered medical bills for the driver and passenger. He added that the claim for #548-22 was rounded down with the insurance company.

Q: A Councilor asked for a description of the accident in #548-22.

A: Atty. Temple stated that an on-duty police officer had stopped at their home in Waltham to pick up an extra battery for their radio. On their way back to Newton, they were turning left onto Moody Street in Waltham, where they had to cross two lanes of traffic. A driver in one lane waved them through, but the driver in the other lane did not, causing the police vehicle to turn into oncoming traffic and directly hit an SUV. The SUV flipped over, and the passenger needed to be extracted and treated at the hospital.

Q: Why did the officer go to Waltham to get the extra battery rather than headquarters?

A: Atty. Temple stated that the patrol was much closer to the officer's house than headquarters. He added that he had spoken with Police Department leadership and confirmed that they were

comfortable with that practice.

Q: A Councilor asked for a description of the accident in #549-22.

A: Mr. Temple stated that a fire truck was returning to the station from a call. The fire truck was turning from Hawthorne Street onto Murphy Court, which is a narrow street. The fire truck hit a legally parked vehicle and damaged its side.

Councilor Noel motioned to approve items 548-22 and 549-22, which passed unanimously.

The Committee adjourned at 7:48 PM

Respectfully submitted,

Rebecca Walker Grossman, Chair