



Finance Committee Report

City of Newton In City Council

Wednesday, January 29, 2020

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

Absent: Councilors Gentile and Ciccone

City staff present: Chief Financial Officer Maureen Lemieux, Commissioner of Public Works Jim McGonagle, Assistant Chief of the Fire Department Michael Smith, Director of Planning and Development Barney Heath, Housing Development Planner Eamon Bencivengo, Comptroller Sue Dzikowski and Assistant Superintendent Liam Hurley

Referred to Public Facilities and Finance Committees

#85-20 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 the Budget Reserve – Snow and Ice Removal Account to the following accounts:

DPW Overtime, Snow & Ice Removal (0140123-513010).....	\$250,000
DPW Rental Vehicles/Subcontractors (0140123-527301).....	\$750,000

Public Facilities Approved 5-0 (Councilor Kelley, Norton and Danberg not voting)

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

Note: Jim McGonagle, Commissioner of the Department of Public Works (DPW), presented the request for \$1,000,000 for snow and ice removal. Mr. McGonagle explained that the total budget for snow removal is \$4.5 million. \$3 million of the total budget is held in the Comptroller's account and DPW returns to the council as needed throughout the year to ask for additional funding. The goal is to not go into deficit spending on this account but on occasion back to back snowstorms can cause a deficit. With the proposed \$1 million request, the total snow funds will be at \$3.5 million and the department has spent \$2.8 million in total this season. There have been 12 snow events this year and 23 inches. The city averages 20-30 events each year and 55 inches of snow. The Mayor's office has docketed another item for an additional \$500,000 for snow removal to prepare for future storms. Maureen Lemieux, Chief Financial Officer, explained that in 2010 the city only budgeted \$1 million per year for snow removal with the average cost being \$5.6 million per year. The rest of the funds were transferred from Free Cash. The City has been incrementally increasing the budget for snow and for the FY20 budget \$4.5 million between DPW and the Comptroller's office was budgeted. For FY21 \$4.75 million will be budgeted. The

two most expensive snow years have been in the last five years. Councilor Kalis motioned to approve which passed 5-0 with Councilor Malakie not voting.

Referred to Public Safety & Transportation and Finance Committees

#87-20 Appropriate \$900,000 for Fire Rescue Full Time Salaries

HER HONOR THE MAYOR requesting authorization to appropriate and expend nine hundred thousand dollars (\$900,000) from June 30,2019 Certified Free Cash to Acct# 0121022-511001 Fire Rescue Full Time Salaries.

Public Safety & Transportation Approved 5-0

Action: Finance Approved 6-0

Note: Assistant Fire Chief Michael Smith presented the request for \$900,000 for Fire Rescue Full Time Salaries. Mr. Smith explained that the Firefighters Union has entered into a collective bargaining agreement with the city and the funds are for retroactive pay for full time salaries, from the end of FY20. Maureen Lemieux, Chief Financial Officer explained that in December 2019 the city settled a 1 year contract for FY20 and then a 3 year agreement starting in FY21. As part of the contract there was a correction to the Firefighters' pay grid. The grid will now have 4 percentage points between each step and the contract is for a 3% pay increase each year for a four year period. Ms. Lemieux explained for this union the city considers how many employees are stepping in each bargaining agreement and how many are not. This year 24% of the members would automatically receive a 4% increase regardless of the bargaining agreement and everyone in the union receives a 3% cost of living raise.

Additionally, language has been added for alcohol testing, where in previous contracts there was only language for drug testing. "Fitness for duty" language was added to the contract. Ms. Lemieux explained that the if the Chief or Assistant Chief believes that any firefighter is either physically, mentally or emotionally not able to respond to calls, they can require a "fitness for duty" check with the city's doctor. There were also changes in healthcare in this contract. Ms. Lemieux noted that there has been an increase in copays for office visits, specialists and for most generic prescription drugs. The minute clinic copay has been lowered to \$5 and the urgent care copay will be \$10.

The committee asked the following questions.

Q: Is the city saving more in healthcare to account for the increase in pay to firefighters?

A: Ms. Lemieux explained that healthcare is accounted for in her calculation. The 4% increase for 24% of the members of the union is 1% of the firefighter budget. The cost of living raise gives everyone in the union a 3% increase, bringing the total increase to 4%. The city will save approximately 1% through retirement and hiring new firefighters at step 1. There are also savings through healthcare as new firefighters will be contributing more to health insurance then retiring firefighters.

Q: How does the drug & alcohol testing 24 hour appeal process work?

A: Ms. Lemieux explained that the person in question is tested right away and then they have 24 hours to appeal the results. The city is looking to have a mobile unit to be able to call 24/7 for testing.

Councilor Noel motioned to approve which passed 6-0.

#82-20 Appropriate \$41,869 from E-Rate Funds to fund technology enhancements
HER HONOR THE MAYOR requesting authorization to appropriate and expend forty-one thousand eight hundred and sixty-nine dollars (\$41,869) from E-Rate reimbursement funds to purchase the conversion of the phone system at Williams Elementary School to Voice Over Internet Protocol (VoIP)

Action: **Finance Approved as Amended to the Burr School 6-0**

Note: Liam Hurley, Assistant Superintendent, presented the request for \$41,869 for the conversion of school phone systems. This money comes through a federal fund that is used for schools and libraries to collect funds to support affordable telecommunications and information services. The city uses a consultant, E-rate Online, to go out and bid to receive funds. The funds were deposited in FY18 and the city has already upgraded Williams Elementary School. The funds requested now will probably go towards upgrading the Burr School to Voice Over Internet Protocol (VoIP). There are about 7 schools remaining which have copper wires that can cause a safety issue. The school department is working towards converting 2 - 3 schools a year to VoIP.

The committee asked the following questions.

Q: When did the process of converting schools to VoIP start?

A: Mr. Hurley explained that the process started 7 to 8 years ago.

Q: Is there a risk from relying completely on internet in the case of an emergency?

A: Mr. Hurley explained that each school is equipped with a walkie-talkie system and all principals have cell phones. The school department is continuing to investigate communication issues. However, the head of the IT department for schools believes that the VoIP conversion is actually safer.

Q: Are all the E-rate funds being spent on the conversion?

A: Mr. Hurley confirmed that the E-rate funds are being used to convert the schools to VoIP. Additionally, Mr. Hurley noted that the amount of E-Rate Funds Newton is receiving each year is decreasing because the E-Rate system is trying to move funds towards rural areas to help with communication and internet services. E-Rate will now be covering 20-22% of the costs to the project.

Q: How does this work for the schools that struggle with internet connection?

A: Mr. Hurley explained that the VoIP is hardwired and does not rely on Wi-Fi.

Mr. Hurley noted that the handsets have a life expectancy of 10-15 years. Councilor Kalis motioned to approve which passed 6-0.

#83-20 **Authorization to expend a ~~\$3,000~~ \$6,000 US Food and Drug Administration Grant**
HER HONOR THE MAYOR requesting authorization to accept and expend a ~~three~~ six thousand dollars (~~\$3,000~~ \$6,000) grant from the United States Food and Drug Administration for Environmental Health Specialist training.

Action: **Finance Approved as Amended 6-0**

Note: Maureen Lemieux, Chief Financial Officer presented the request to accept and expend grant money from the US Food and Drug Administration. Ms. Lemieux explained that the docket request should have reflected acceptance and expenditure of two grants as shown in the back-up materials. An amended request is attached to the end of this report. Ms. Lemieux explained that the grants will contribute to the environmental health training on best practices for food safety and inspections. Councilor Noel motioned to approve the amended docket item to expend \$6,000 worth of US Food and Drug Administration Grant funds which passed 6-0.

#84-20 **Authorization to expend a \$200,000 Housing Choice Grant**
HER HONOR THE MAYOR requesting authorization to accept and expend a two hundred thousand dollar (\$200,000) Housing Choice Grant from the Department of Housing and Community Development to study the possibility of converting the West Newton Armory into affordable housing.

Action: **Finance Approved 6-0**

Note: The Director of Planning and Development Barney Heath and the Housing Development Planner Eamon Bencivengo presented the request to accept and expend a \$200,000 Housing Choice Grant from the Department of Housing and Community Development (DHCD) for the purpose of studying the possibility of converting the West Newton Armory into affordable housing. The West Newton Armory has a number of challenges including the historic aspect, the environmental impact and the overall architecture of the building and this grant will help the city explore these issues. Mr. Bencivengo explained that the announcement of the grant was made a couple of weeks ago and that if the item is approved by the full Council, the next step is to move to the contract process with the DHCD. The Planning Department is working closely with the Joint Advisory Planning Group (JAPG) to see what the request for proposal will look like to procure a consultant.

The committee asked the following questions.

Q: Is there an expiration date on when the city must decide if the West Newton Armory will be affordable housing or if the city will purchase the property for another use?

A: Mr. Heath explained there is special legislation that is required for the State to release the property to the Division of Capital Asset Management (DCAM). The special legislation has been heard in the joint committee of State Administrative Maintenance and should be voted out of committee this month. As

of now the legislation states that the city has up until June 30th, 2020 to decide if the property will be used for affordable housing. The first phase of the project will be the feasibility of using the Armory for affordable housing. The second phase will occur after June 30th, 2020. If the city decides to use the facility for affordable housing, then the Planning Department will work with JAPG on the request for proposal for the developer. Both phases are included in the \$200,000 grant.

Q: What is the price of the West Newton Armory if it is not used for affordable housing?

A: Mr. Heath explained that the price will depend on what program the city decides to use the Armory for. The State will apply a discount to the appraised value of the building.

Q: Would part of the feasibility be the cost of making the facility housing?

A: Mr. Heath confirmed the cost would be a part of the feasibility. The hope is to get a range of how much it would cost to make the Armory affordable housing.

Q: If the city decides not to use the Armory for affordable housing is the June 30th deadline extended?

A: Mr. Heath explained that he would investigate this further.

Q: Through feasibility will the city be able to see the cost of converting the building into any other use besides housing?

A: Mr. Heath explained that the grant money can only be used to examine housing. But some of the research will be able to show costs that could occur with other uses. If the city decides to not use the facility for housing, then the city would probably not be able to spend the rest of the grant. The grant works by sending an invoice to the State and then that amount will be wired to the city.

Q: What is the assurance that the consultant will not spend the full \$200,000 on phase one?

A: Mr. Heath explained that the department knows what the deadlines are and the pieces of the project that needs to be completed. The goal is to do more work before the June 30th, 2020 deadline to decide if affordable housing works for this facility.

Q: What is the request for proposal process?

A: Mr. Heath explained that they are hoping to go to the JAPG meeting next week and get their okay on a revised proposal based off the JAPG's past comments. Then the project will go out to bid. The JAPG have given a list of consultants that the city could use for the project. A member of JAPG will be a member on the evaluation committee. Once a consultant is chosen, which can take a month to a month and a half, the Planning Department can discuss with the consultant the department's plans for the project. The budget will be broken down by task area.

Councilor Noel motioned to approve which passed 6-0.

Chairs Note: *The Committee discussed priorities for the 2020-2021 term.*

Note: Chair Grossman explained she would like to go over the priorities of the Finance Committee and would like to hear from committee members what they would like to discuss during the 2020-2021 term. Additionally, the Chair explained that Maureen Lemieux and Sue Dzikowski would be coming back to the committee to discuss bonding and pensions.

The following are comments and questions from the committee.

There should be a discussion on the school contract that was just signed.

The committee should investigate the residential exemption on property taxes. The Division of Local Services is putting together a presentation for municipalities to learn more about the process.

Additionally, investigate what Boston is pursuing under a Home Rule petition on having a transaction fee on high value real estate transactions for an affordable housing trust fund.

Q: In the charter, what is the role of the Finance committee during budget season? Could the Council start the resolution process sooner?

A: Ms. Lemieux explained that the Mayor's office is working with the Clerk's office on the budget schedule. There will be dates in March where the Mayor will be giving pre-budget information sessions to the Council. The point of the meetings is to be able to hear any resolutions from councilors before the Mayor's Budget Address in April.

Sue Dzikowski, Comptroller explained what her department does for the city. Ms. Dzikowski explained that her department's responsibilities include creating the financial statements for all financial transactions that occur throughout the city. At the February 10th Finance Committee meeting, the Auditor for the city, Matt Hunt, will present the financial statements. The Comptroller's office is also involved in the bond rating call with Moody's. Ms. Dzikowski will write a budget analysis for the council. Additionally, Ms. Dzikowski explained her office is a resource for the Council and is available if there are any additional questions from councilors.

No vote was needed and with that the committee adjourned at 8:10 p.m.

Respectfully submitted,

Rebecca Walker Grossman, Chair



RUTHANNE FULLER
MAYOR

City of Newton, Massachusetts
Office of the Mayor

83-20

Telephone
(617) 796-1100

Telefax
(617) 796-1113

TDD
(617) 796-1089

E-mail
rfuller@newtonma.gov

January 30, 2020

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

Councilors:

I respectfully request that your Honorable Council amend **Docket Item # 83-20** to reflect that the Administration is requesting authorization to accept and expend the sum of \$6,000 provided by the Food and Drug Administration through two grants of \$3,000 for Environmental Health Trainings.

Thank you for your consideration of this matter.

Sincerely,

A handwritten signature in black ink that reads "Ruthanne Fuller".

Ruthanne Fuller
Mayor

RECEIVED
Newton City Clerk

2020 JAN 30 AM 11:34

David A. Olson, CMC
Newton, MA 02459

City of Newton



Ruthanne Fuller
Mayor

HEALTH AND HUMAN SERVICES DEPARTMENT
Deborah Youngblood, PhD, Commissioner
1000 Commonwealth Avenue
Newton, MA 02459-1544

83-20
Telephone
(617) 796-1420
Fax
(617) 552-7063
TTY/TTD 617-796-1089
TTY/TRS 711

11/26/2019

To: Maureen Lemieux
From: Deborah Youngblood
Re: Accepting AFDO grants for Environmental Health Division

Dear Maureen,

Please docket the following grants with City Council in order for the funds to be accepted. We are pleased to once again receive these important funds that enable us to stay up to date on the latest trends and information in the field of food safety and perform our jobs to the best of our ability. The first grant allows for our inspectors to attend trainings and conferences in their field. The second covers the cost of database for food inspections and with documentation needed for those inspections.

Grant Number: G-T-1909-07457

Project Title: Environmental Health Trainings

Award Value: \$3,000.00

Project Period: January 1, 2020 to December 31, 2020

Project Coordinator: Aimee Sullivan

City of Newton Health and Human Services

Funded by the United States Food and Drug Administration (FDA).

Grant Number: G-SP-1909-07632

Project Title: Special Project to Enhance Conformance with the Program Standards

Award Value: \$3,000.00

Project Period: January 1, 2020 to December 31, 2020

Project Coordinator: Aimee Sullivan

City of Newton Health and Human Services

Special Project to Enhance Conformance with the Program

Funded by the United States Food and Drug Administration (FDA).

Thank you,

A handwritten signature in cursive script that reads "Deborah C. Youngblood".

Deborah C. Youngblood