



Finance Committee Report

City of Newton In City Council

Monday, April 10, 2023

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

City staff present: Comptroller Steve Curley, Chief Financial Officer Maureen Lemieux, Deputy Commissioner of Public Works Shawna Sullivan, Assistant City Solicitor Andrew Lee

#56-23 Requesting a discussion regarding the Use of Revolving Accounts

COUNCILORS ALBRIGHT, GROSSMAN, AND OLIVER requesting a discussion with the Law Department and each City department regarding the use of revolving accounts with possible ordinance amendments if needed.

Action: Finance Held 8-0

Note: Please see the note for item #247-22.

#247-22 Establishing a departmental revolving account within the Department of Public Works Fleet Division

HER HONOR THE MAYOR requesting the authorization to establish a departmental revolving account within the Department of Public Works Fleet Division per MGL Chapter 44, Section 53E1/2. The revenue is being generated from the sale of surplus Public Works equipment and parts through government auction. The Department would like to request an annual spending limit of \$200,000.

Finance Held 8-0 on 04/11/22

Action: Finance Approved Subject to Second Call 8-0

Note: The Chair introduced both item #56-23 and #247-22. She introduced Assistant City Solicitor, Andrew Lee who discussed the research he has been doing regarding the City's revolving funds.

Atty. Lee explained that he has met with a small group of Councilors on this matter. He has been looking into how revolving funds are properly established under the law since the Municipal Modernization Act was adopted. Prior to this amendment, revolving funds were established by the City Council through an order. The City Council would need to make a determination that certain funds that are received through a program or activity fee would only be used for a specified department or use related to that activity or program. He further explained that the Council would also have to reauthorize that account each year. Now, to establish a revolving account there needs to be an ordinance, and that ordinance needs to set forth every existing revolving account the City has. Additionally, the City Council will not need to approve the accounts annually, but just need to set the expenditure limit. To comply with the current law, there will need to be a new process, through

a new docket item, to draft and codify the ordinance. The process of establishing this ordinance will bring forward the information that was requested through this discussion item, including creating a list of all revolving accounts in the City, each account's established purpose and spending requirements, and any reporting requirements the City Council wants to include. This information will be brought back to the Committee once it is developed.

Councilors thanked Atty. Lee for his research on this topic and his continuous help.

Atty. Lee will come back to the Committee for a check-in on this item in early fall.

Shawna Sullivan, Deputy of Commissioner of Public Works joined the Committee to discuss a new revolving fund for the Department of Public Works to be used by their Fleet Division. The Chair noted that this item was held last year due to the on-going work on revolving funds, but the Law Department is comfortable moving this fund forward while pending work on the revolving fund ordinance is ongoing. Ms. Sullivan explained that these funds will be used for repairs/replacement of vehicles and equipment. The funds come from sale of surplus Public Works equipment and parts through government auction. There are \$180,000 in pending checks from the last year, so the department is requesting a limit of \$200,000. This will be used to replace the City's fuel systems at Crafts Street and Eliot Street. Atty. Lee noted that next year if the Department received more than \$200,000, then they can ask for a higher limit through the City Council. Maureen Lemieux, Chief Financial Officer noted that if the Department predicted that they would receive additional funds, they would come back to the Council the same year instead of waiting until the following year to allocate the funds. The draft Council Order is attached.

The Committee discussed approving the item subject to second call so that Atty. Lee has time to review the Council Order.

Councilor Kalis motioned to approve subject second to second call which passed unanimously.

#124-23 Reappointment of Carl F. Valente to the Financial Audit Advisory Committee
PRESIDENT ALBRIGHT reappointing Carl F. Valente, 84 Sumner Street, Newton as a member of the Financial Audit Advisory Committee for a term of office to expire on April 21, 2026. (60 days: 06/02/2022)

Action: Finance Approved 8-0

Note: With no questions or concerns from the Committee, Councilor Kalis made a motion to approve was passed unanimously.

#435-22 Appropriate \$60,826.31 for McKinney-Vento Homeless Student Transportation
SCHOOL COMMITTEE requesting that the City Council approve authorizing the Mayor to appropriate the state reimbursement of sixty thousand eight hundred twenty-six dollars and thirty-one cents for McKinney-Vento and Foster Care Transportation funds from the general fund to the School Department.

Action: **Finance voted No Action Necessary 8-0**

Note: The Chair noted that the Council has already approved the funds requested through a subsequently docketed item. Councilor Humphrey made a motion of no action necessary which passed unanimously.

The Committee adjourned at 7:45 pm.

Respectfully submitted,

Rebecca Walker Grossman, Chair

Ordered:

That in accordance with the recommendation of the Finance Committee through its Chair Rebecca Walker Grossman there shall be a separate revolving fund established under Massachusetts General Law Chapter 44, Section 53E1/2 called the Fleet Equipment Revolving Fund for use by the Department of Public Works. The spending limit for FY2023 is \$200,000.

The Comptroller shall establish the Fleet Equipment Revolving Fund Revolving Fund in the books of the City as a separate account and deposit all monies received from GovDeals, the City's current government auctioneer, paid to the City of Newton. All such monies received from the government auctioneer shall be available for use by the Department of Public Works for the purchase of equipment, parts, and software for the Department of Public Works Fleet Division operations.

The purpose of the fund is to collect and utilize monies for the repair, restoration, maintenance, and improvement of the City's fleet of vehicles and equipment. During each fiscal year, the Commissioner of Public Works or their designee may incur liabilities against and spend monies from the Fleet Equipment Revolving Fund for this purpose.

The Department of Public Works shall include an annual statement concurrent with the publishing of the Mayor's annual proposed budget., which includes monies collected to the fund, the encumbrances, and expenditures charged to the fund and the balance available for expenditure.