

CITY OF NEWTON

IN BOARD OF ALDERMEN

FINANCE COMMITTEE REPORT

TUESDAY, APRIL 28, 2015

Present: Ald. Gentile (Chair), Ciccone, Brousal-Glaser, Rice, Blazar, Fuller, and Lappin
Also present: Ald. Albright and Crossley

City staff present: Ann Cornaro (Director of Financial Information Systems), Jeffrey Honig (Interim Director of Human Resources), Therese Struth (Labor and Employment Manager), Mary O'Neill (Recruitment Manager), Joseph Mulvey (Chief Information Officer), Robert Symanski (Financial Analyst), John Cowell (Capital Project Manager; Public Buildings Department), Maureen Lemieux (Chief of Staff/Chief Financial Officer), and David Wilkinson (Comptroller)

BUDGET & CIP DISCUSSIONS:

Financial Information Systems

Human Resources

REFERRED TO FINANCE AND APPROPRIATE COMMITTEES

#375-14(2) HIS HONOR THE MAYOR submitting in accordance with Section 5-1 of the City of Newton Charter the FY16 Municipal/School Operating Budget totaling \$361,997,264 passage of which shall be concurrent with the FY16-FY20 Capital Improvement Program (#375-14). [04/15/15 @ 5:08 PM]

EFFECTIVE DATE OF SUBMISSION 04/21/15; LAST DATE TO PASS THE BUDGET 06/05/15

REFERRED TO FINANCE AND APPROPRIATE COMMITTEES

#375-14 HIS HONOR THE MAYOR submitting the FY16-FY20 Capital Improvement Plan pursuant to section 5-3 of the Newton City Charter. [10/15/14 @ 3:01 PM]

REFERRED TO FINANCE AND APPROPRIATE COMMITTEES

#375-14(4) HIS HONOR THE MAYOR submitting the FY 2016 – FY 2020 Supplemental Capital Improvement Plan. [04/15/15 @ 4:57 PM]

FINANCIAL INFORMATION SYSTEMS DEPARTMENT

Director of Financial Information Systems Ann Cornaro presented the budget for the Financial Information Systems (FIS) Department. There is a \$49,988 decrease in the budget this upcoming fiscal year, as the vacant applications developer position is moving to the Information Technology Department. The Administration created the position two years ago and it has been vacant ever since because applicants for the position have not been information technology professionals but financial professionals without

information technology experience due to the Financial Information Systems Department's functions. By moving the position, the Administration hopes to attract information technology professionals that can provide support for the financial software systems.

Ms. Cornaro reviewed the department's Fiscal Year 2015 accomplishments with the Committee. This past fiscal year the department implemented upgrades to both the FinancePlus software system and the Munis software system. Both upgrades were done in collaboration with the Information Technology Department. The department likes to stay current with the versions of both software systems, as vendors tend to support a limited number of software releases. The FinancePlus software upgrade was done in October 2014; however, there are still a number of issues that the vendor and the City are working to resolve. The department provided training and support to all end-users of both of the software systems. The Department continues to audit payroll data and implement any necessary changes to ensure accurate employee payment. Ms. Cornaro feels that the department in collaboration with the Comptroller's Office and the Human Resources Department have minimized the number of errors related to the payroll. The number of grievances filed related to payroll errors have been reduced over the past year and workers' compensation payments have been streamlined. FIS has met all statutory requirements for tax and utility charges and billing over this fiscal year.

In Fiscal Year 2016, the department goals are to implement features of an Employee Access Center module in FinancePlus. The module will provide employees access to change their address or other pertinent information. The FIS will review and accept any changes to employee data. Training and support for FinancePlus and Munis will continue and the department will maintain and update all documentation for both software programs. The audit of the payroll systems will continue to ensure that the data is as accurate as possible and that all changes related to union contracts are implemented.

The Committee questioned if the application developer position would be responsible for developing software bridges between Munis and FinancePlus for the water/sewer billing and receivables data and the police detail billing software and FinancePlus. Currently, the receivables data from both Munis and the police billing software must be entered manually into the general ledger in FinancePlus. If data could be imported electronically, it would be a more efficient process.

The City has repurposed some of the unused funds for the application developer position to hire a consultant to create the bridge for the utilities data. The hope is that the bridge will be complete in the next six to nine months. Chief of Staff Maureen Lemieux stated that it might take longer as the City is relying on the FinancePlus vendor to develop the bridge. The Administration is not willing to contract the Munis bridge development until the vendor resolves all outstanding issues with the FinancePlus upgrade. The City is working with the vendor to resolve the issues with the upgrade but the vendor is having staffing problems. The Administration is in the process of discussing options with the Law Department in an attempt to get the vendor to be more responsive to the City. It was suggested that the City look for a

different financial software company to provide services. Ms. Lemieux responded that it would cost the City millions to discontinue with the current vendor and that it is far better to resolve the issues.

The Fiscal Year 2016 budget for the FIS Department is \$585,743. The staffing levels in the department remain unchanged except for the transfer of the vacant application developer position to the Information Technology Department. There are no projects in the Capital Improvement Plan for this Department. Ald. Brousal-Glaser moved approval of the item, which carried by a vote of six in favor, none opposed and Ald. Lappin not voting.

HUMAN RESOURCES DEPARTMENT

Chief of Staff/Chief Financial Officer Maureen Lemieux and Interim Director of Human Resources Jeffrey Honig joined the Committee for discussion of the Human Resources Department's budget. Mr. Honig works in the City's Law Department as an Assistant City solicitor specializing in labor negotiation. The Administration asked Mr. Honig in November 2014 to fill the Human Resources Director position temporarily until the position could be filled, to which he agreed. Mr. Honig served as the City Solicitor in Pittsfield previously; therefore, he has experience serving as a department head and also has extensive knowledge of labor laws.

Mr. Honig began addressing some of the issues related to workers' compensation management and recruitment when he started serving as Interim Director. The City has taken a more aggressive approach to compensation claims management. The Workers' Compensation/Safety Manger position has recently been filled. The Workers Compensation/Safety Manager will focus on proper management of workers' compensation claims and provide safety training to employees citywide. The new Workers' Compensation/Safety Manager, Kelly Brown, has started looking at the wellness services that are offered by Harvard and Tufts Health Care at no cost to the City or employees, which may provide health benefits to employees.

The Recruitment Manager position has also been filled recently. The Recruitment Manager will focus on developing competency-based job descriptions for vacancies, analyzing appropriate salaries for open positions, and determining where job descriptions should be advertised and posted to attract the most qualified candidates. The Recruitment Manager also works closely with Department Heads to fill vacancies by reviewing resumes, participating in the interview and job offer process; as well as on-boarding a new hire. Recruitment Manager Mary O'Neill has already gotten off to a great start. Two vacant positions within the Planning Department and two positions within the Department of Public Works have been filled. The City is also close to hiring a Veterans Agent and a Director of Sustainability. Ms. O'Neill will also begin to look at the best ways to recruit middle management candidates for open positions, as there is not a robust pool of these types of candidates. (**NOTE:** The Board of Aldermen approved the increase of a part-time position to a full-time position to create the Recruitment Manager Position in September 2014, which resulted in a rise in the number of personnel in the Human Resources Department in the Fiscal Year 2016 budget.)

Ms. O'Neil is actively recruiting for a Human Resources Director, Planning and Development Director, and Health and Human Services Commissioner. She has met with Interim Planning director James Freas on the Planning Director position and other vacant positions within that department to re-write job descriptions to make them more attractive to job seeking planning professionals. The City needs to attract a Planning and Development Director with substantial experience and wide-range of expertise. The Administration is hiring a management consultant to look at the Planning Department's organizational structure. The April 27, 2015 Zoning & Planning Committee Budget Report for the Planning and Development Department contains information on hiring a management consultant.

The department's accomplishments for Fiscal Year 2015 include effective recruitment and retention of employees and professional development of current employees including succession planning and performance evaluations. A Committee member felt that listing those things as accomplishments was not accurate. Ms. Lemieux referred the Committee to the second page of the department's budget in the budget book, which provides the outcomes for each of the department's listed accomplishments. Ms. Lemieux pointed out that the City did retain most of its employee's and that some of the people who left this past year were encouraged to seek other employment.

Several union contracts were negotiated this fiscal year. The department is still working on settling with a few smaller unions and the public safety unions. The Police and Fire Unions have opted not to continue negotiations with the City but to file with the State for mediation. There has not been much progress with mediation because of scheduling conflicts. It was pointed out that the Board of Aldermen may need to take action on a funding request for one or both public safety contracts once they are mediated. Mr. Honig is actively involved in all contract negotiations and mediation, as the City's labor attorney. A Committee member felt that it would be helpful if Aldermen had representation during contract negotiations to understand the financial impacts of a contract. It was explained that the Board of Aldermen does not have any authority in terms of approving contracts; it only has authority over funds needed to settle contracts, if funding is necessary. Contract negotiations and settlements are an Executive function.

The Human Resources Department has drastically reduced the number of grievances filed by employees within the Department of Public Works by working with the Union Presidents in that department. It is beneficial to both the City and unions when there is a partnership to bring grievance resolution in-house

The Administration does not expect to use the full \$120,000 budgeted for unemployment benefits. There have no recent lay-offs but there are still four or five people that are drawing unemployment benefits into the next fiscal year. People that are eligible for unemployment benefits are limited to 26 weeks of collection.

It seems that the City has the optimum number of employees when all positions are filled. The Administration does not look to generate additional funds through vacancies. However, if

there are unused salary funds, they are repurposed with approval by the Board of Aldermen or are dropped to Free Cash.

The budget for the department for Fiscal Year 2016 is \$987,476 and there are 8.5 employees included in the budget. There is an increase of 2.24%, which can be attributed to salary increases and benefit cost increases. The number of personnel went up from 8.0 to 8.5 with the addition of a part-time person. There are no projects in the Capital Improvement Plan for this Department. With that, Ald. Rice moved approval of the department's budget, which carried unanimously.

The Chair stated that it would be helpful if the department budgets included the current fiscal year original budget numbers as well as the adjusted budget. Chief of Staff Maureen Lemieux stated that she will provide the original budget numbers and will include them in the next budget book.

Respectfully submitted,

Leonard J. Gentile, Chairman