

CITY OF NEWTON
IN BOARD OF ALDERMEN
POST AUDIT & OVERSIGHT COMMITTEE AGENDA

TUESDAY, OCTOBER 27, 2009

7:45 PM
ROOM 222

ITEMS SCHEDULED FOR DISCUSSION:

REFERRED TO POST AUDIT & OVERSIGHT AND FINANCE COMMITTEES

- #300-08 ALD. JOHNSON AND SWISTON requesting discussion with Mayor David Cohen and Superintendent Jeffrey Young as to the procedures that are in place to ensure accountability of their staff in respect to adherence to the authorization of purchasing and expenditures policy and procedures. [07-21-08 @ 9:03AM]
- #178-04(3) ALD. LAPPIN requesting a report from the Commissioner of Public Buildings regarding why no progress has been made on the implementation of the construction project database approved by the Board of Aldermen on April 20, 2004.
- #375-08 ALD. PARKER, JOHNSON, LINSKY AND SWISTON requesting follow-up discussion on the Payments-In-Lieu-of-Taxes (PILOT) budget resolution passed by the Board of Aldermen as part of the Fiscal year 2009 operating budget discussion. [10-14-08 @3:35 PM]

REFERRED TO PUB SAF & TRANS. AND POST AUDIT & OVERSIGHT

- #26-03 ALD. COLETTI requesting discussion with Executive Department and Fire Department regarding status of fire stations, repairs, and capital improvements in light of cuts in capital improvement plan of necessary health and safety repairs to redirect the emphasis on the fire station repair program.
PS&T NAN on 1/21/04

REFERRED TO PROG&SERVICES & POST AUDIT & OVERSIGHT

- #371-06 ALD. COLETTI respectfully docketing under section 2-11 of the Newton City Charter an investigation of the facts surrounding the failure to properly certify the proper number of citizen signatures relative to the site plan referendum question.
Programs & Services voted no action necessary on 12/05/07

ITEMS NOT SCHEDULED FOR DISCUSSION:

- #401-08 ALD. JOHNSON, ALBRIGHT AND LINSKY requesting discussion of the overall project management and communication of the Newton North High School Project. [11-10-08 @ 8:53 AM]

Respectfully submitted,

Susan S. Albright, Chairman

PUBLIC BUILDINGS DEPARTMENT

A. NICHOLAS PARNELL, AIA, COMMISSIONER

#300-08

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NEWTON HIGHLANDS, MA 02461-1605



David B. Cohen
Mayor

TO: Alderman Marcia Johnson
Chair, Post Audit Committee

FROM: A. Nicholas Parnell, AIA
Commissioner of Public Buildings

RE: Public Building/School Procurement

DATE: November 24, 2008

The Public Buildings Department, when issuing a request for services from outside vendors, has added a clause in the vendor's contract which states there is an upper limit of dollars not to be exceeded on a single project without the authorization of the Commissioner of Public Buildings or his designee.

This should eliminate any future expenditure that exceeds the public procurement threshold on work to be performed. With the elimination of the Facilities Manager position, whose responsibility this was, an in-house directive has been given to all Public Building Department personnel to adhere to this directive. School Department personnel have been notified as well. The Public Buildings Department oversees more than \$4m per year in purchase orders and scrutinizes them all. This \$23,000 error was the result of a communication failure that has since been remedied. I hope this clarifies any concerns for future procurement between the Public Buildings Department and the School Department.

CC: Sandy Pooler, Chief Administrative Officer
Arthur F. Cabral, Budget & Project Specialist
Michael Cronin, Chief of Operations

REFERRED TO POST AUDIT & OVERSIGHT AND FINANCE COMMITTEES

#300-08 ALD. JOHNSON AND SWISTON requesting discussion with Mayor David Cohen and Superintendent Jeffrey Young as to the procedures that are in place to ensure accountability of their staff in respect to adherence to the authorization of purchasing and expenditures policy and procedures. [07-21-08 @ 9:03AM]

ACTION: **HELD 5-0**

NOTE: The Chair spoke with both the Mayor and Superintendent Young and both felt that it was a procedural issue. Therefore, they felt the Committee would be better served by discussing the item with the Commissioner of Public Buildings and the Chief Administrative Officer. Ald. Johnson was dismayed that there was no representative from the School Department. Ald. Johnson spoke on the reasons for docketing the item. In a well run company there are checks and balances to keep tight control of purchasing and expenditures. People have spending authority and spending limits and there are serious controls on who can sign for thing and who can spend. When Ald. Johnson saw two expenditures where money was authorized without the authority of the Board of Aldermen and expended, she was very concerned.

The two expenditures were window repairs at various school buildings and the design work for the modular classrooms. There was a breakdown in communication between the School Department and the Public Buildings Department regarding the window repairs. An employee of the Public Buildings Department, who is no longer with the City, provided the School Department with the name of a vendor to repair the windows. The School Department mistakenly thought that this was an approval of the vendor and did not realize that they were breaking the public bid laws. There should have been a bid process, where three quotes were obtained for the work. If this had been done, it would not have required Board of Aldermen approval. It is unlikely that this type of error will happen again. Commissioner Parnell provided a memo to the Committee addressing the measures that have been put in place by his department, which is attached.

The issue with the design funds for the modular classrooms will never happen again. The Commissioner thought that the School Department would be paying for the design of the modular classroom and authorized the work. The Commissioner will no longer authorize anything without a written memorandum of understanding stating who will be paying for the services.

The Committee suggested and the the Public Buildings Department agreed that the Commissioner would also work on a formalized checklist and sign off for authorizations and sign-offs. The Commissioner will provide the Committee with the documents once they are completed. Ald. Johnson asked if there was any type of control plan. The Commissioner responded that they are looking at developing a control plan. Ald. Lennon offered to provide the Commissioner with an example of the State Auditor's control plan. Ald. Swiston moved hold on the item until the documents are available to review, which carried unanimously.

CITY OF NEWTON

IN BOARD OF ALDERMEN

POST AUDIT & OVERSIGHT COMMITTEE REPORT

TUESDAY, JANUARY 27, 2009

Present: Ald. Albright (Chairman), Lennon, Swiston, Harney and Mansfield

Absent: Ald. Coletti, Schnipper and Freedman

Also present: Ald. Baker

City Staff: Ouida Young (Associate City Solicitor) and Marc Welch (Director of Urban Forestry; Parks and Recreation Department)

Chairman's Note: The Committee reviewed the resolutions that were approved by the Board of Aldermen during budget discussions. The Committee discussed the library resolution. The books have not been moved out of the branch libraries. Groups and individuals are utilizing the branch libraries. There was some discussion of whether it is appropriate for the branch libraries into the real property reuse process. The Committee concluded that it would be helpful to have the Mayor's response to the resolutions before proceeding with the discussion.

#178-04(3) ALD. LAPPIN requesting a report from the Commissioner of Public Buildings regarding why no progress has been made on the implementation of the construction project database approved by the Board of Aldermen on April 20, 2004.

ACTION: **HELD 5-0**

NOTE: This item was held at the last meeting in order to get some input from the Law Department. Associate City Solicitor Ouida Young joined the committee for the discussion. Ms. Young spoke with Ald. Lappin, who was unable to attend the meeting, regarding the item. Ald. Lappin stated that she is interested in inputting information into the database after projects are complete and not including ongoing projects. When the database was originally proposed, one of the major concerns Ms. Young had was that identifying potential problems as they were coming up during a construction project is sensitive because it often will involve issues of potential liability. The point of the database, as Ms. Young understands it, was to take the "lessons learned" and apply them prospectively to other projects. Therefore, it does not necessarily require that as those issues are being presented in an ongoing current project that they be entered into a database and used for a project that does not exist yet. You can input the data once the project is completed and it is closed out.

Ald. Albright asked if the Newton South High School project could now be entered into the database. Ms. Young responded that it could be entered to the extent that it is relevant. One of the judgment calls that need to be made is what constitutes a "lesson learned" and what is not particularly useful. Ald. Swiston suggested creating a task force immediately after a project is done for a post mortem. Ms. Young agreed that Ald. Swiston's suggestion might be beneficial. Many of the issues that are presented as problems during a particular project do not necessarily translate out usefully into "lessons learned" for the next project. Therefore, there needs to be a

clear vision about what is useful. Many of the experiences that happened over at Newton South High School informed the construction process that went on at Newton North High School. People might not be happy how that subsequently played out, but a good example is that the value that commissioning brings to a project was very clearly understood when the Newton North project was put together. Ms. Young understands that the commissioning at Newton North has been expanded to include the exterior. This was brought about by what happened at Newton South coupled with the ongoing developments on how to put buildings together sensibly. Ms Young pointed out that the information collected after a project closes need not be kept in a database –searchable Word files might work just as well if not better.

Ms. Young phoned the City Solicitor of Somerville to discuss Somerstat and how it applies to construction projects. Its purpose is to monitor projects that are ongoing and it is a major review process across all of the City of Somerville’s departments. It is not a software project so much as it is a concerted effort to analyze what is happening in each department systematically and collect information. Ald. Swiston asked what the legal issues were in Somerville. Ms. Young explained that when she spoke with the City Solicitor, she inquired if there was concern about issues becoming public knowledge. The City Solicitor responded that it is a concern and they are very sensitive to that. First, the reviews are not done in public but on an administrative level. Three full-time employees in Somerville do this across all of the departments. When they get into the sensitive areas, the code words are the Law Department will investigate.

Ald. Swiston asked if Somerstat was software. Ald Albright responded that Somerstat is a process not software per se. Ms. Young state that what is important is not the piece of software used to organize the data but the people who ask for the data, analyze the data, and track the data. It sounds like a very valuable process but not necessarily one that translates fully into a “lessons learned” for the future.

Ms. Young reiterated that one of the key factors for successful implementation is that the information that is input needs to be relevant to the next building projects. You have to have some idea of what is important and valid data for the next project. It is the manpower and analysis that is important and not so much the format.

Ald. Lennon asked Ms. Young if Ald. Lappin was comfortable with a report or another format. Ms. Young responded that she believed that Ald. Lappin felt very strongly that a database is helpful and that she would like to be able to get reports. Ms. Young did not believe that Ald. Lappin disagreed about the need to have analysis. Ald. Lappin was not as concerned about tracking for current projects but wanted to take what had been derived or learned from those projects and move it over to another project. Ald. Swiston pointed out that the Commissioner of Public Buildings stated that he does not have the manpower to create and maintain the database. Ms. Young pointed out that if you have a good project manager, there is current information every week. There are project meetings every week, problems are identified in the minutes and there is a monthly report from the project manager. The issue is to distill from that heap of information what is relevant to future projects. Ald. Albright feels that Ald. Lappin is asking for some way to assess how well a project went and learn from it. Ms. Young pointed out that Somerville has major commitment on manpower.

Ald. Harney suggested that Turner Construction, as the project manager for the Newton North project, could collect the relevant data for the project. Ald. Harney suggested that collaboration between the Commissioner of Public Buildings and the project manager might be beneficial to get the relevant data. Ald. Mansfield thinks Ald. Lappin would like information entered contemporaneously rather than as a postmortem and entered in a way that would allow it to be retrieved through searches. Ms. Young reiterated that it is not whether it is in a database or a Word document; it is how you are going to collect the information, what information is going to be input, and how you are going to use it. If the Commissioner is stating that he does not have the manpower to input the data into database fields and create new documents, there are other documents, which are more easily put together for his department that may be the best way to capture the information. What is key for all of the different options of capturing data is to have an intelligent person assimilate the information and put it in a useable format. Ald. Harney questioned who that person would be. He felt that the project manager combined with someone from Public Buildings are the people who can make the judgment call in terms of what data should be included.

Ald. Albright asked if it is possible to make the data collection part of the project manager's job, as part of the contract. Ms. Young responded that you could ask them to do that but her one caveat is that on school projects the Massachusetts Building Authority has come forward with a project manager's contract for all school projects, which she has not seen yet. As an action item, the committee suggested we get in touch with the state and suggest that this ought to be part of the standard contract.

Ald. Albright pointed out that there is agreement that there needs to be a way to pull information out of a project that is useful for going forward. In fact, that is good management practice. Ald. Albright also had spoken with Ald. Lappin, who requested that the Committee hold the item. Ald. Swiston moved hold, which carried unanimously.

Chairman's note: Ald Lappin stated by phone after the meeting that entering the data at project completion is agreeable to her and that it doesn't matter how the data is stored – either database or searchable Word document or some other mechanism is acceptable.

#402-08 ALD. JOHNSON AND SANGIOLO requesting a discussion with the Executive Department as to how the tree funds are being collected and spent. [11-10-08 @ 8:53 AM]

ACTION: **HELD 5-0**

NOTE: Ald. Albright spoke with both Ald. Johnson and Ald. Sangiolo over the weekend and both were unable to attend the meeting. Marc Welch, Director of Urban Forestry was present and will provide a report to Ald. Johnson, Ald. Sangiolo, and the Committee regarding the tree funds. Ald. Albright asked if any Committee member had any items to be included in the report. Ald. Swiston asked what the report would include. Mr. Welch provided the Programs and Services Committee with a report that displayed all of the monies that have been received from the tree ordinance since its inception and all of the expenditures of the tree ordinance since day one. This is the type of information would be updated and included in the

ordinance. The Committee agreed to docket an item and refer it to the Programs and Services Committee. Ald. Schnipper moved no action necessary on the item, as the discussion has occurred and the requested report submitted. The motion carried unanimously.

#375-08 ALD. PARKER, JOHNSON, LINSKY AND SWISTON requesting follow-up discussion on the Payments-In-Lieu-of-Taxes (PILOT) budget resolution passed by the Board of Aldermen as part of the Fiscal year 2009 operating budget discussion. [10-14-08 @3:35 PM]

ACTION: **HELD 7-0**

NOTE: This item was previously discussed on November 25, 2008. Ald. Albright has tried to schedule a meeting with the docketors and the Mayor to discuss possible establishment of Payments in Lieu of Taxes (PILOT) and Services in Lieu of Taxes (SILOT) for non-profit organizations. Unfortunately, Ald. Albright was unable to schedule a meeting due to conflicting schedules but did speak with the Mayor. He spoke with Ald. Albright about the services that Newton Wellesley Hospital provides to the City. The hospital provides the City with such services as pre-employment screening, confidential counseling for employees with personal or work related problems and worker's compensation related issues. The Mayor is unsure of the cost and whether there is no cost or if the programs are subsidized or at cost. Ald. Parker stated that he has a breakdown of that and will provide it to the Committee. The Mayor also pointed out that there is an opportunity to establish a PILOT or SILOT program with Boston College during the possible future special permit project. Ald. Albright also spoke with George Foord, who is a member of the Citizen Advisory Group, who stated that the State of Connecticut, recognizing the value that non-profits bring to local municipalities, determines the value of missed tax revenue from non-profits in its cities and towns and pays this amount to cities and towns.

There was a question of the difference between the employee assistance and the state employee assistance program. The Chair suggested that the Director of Human Resources, Dolores Hamilton, be invited to join the Committee for the next discussion regarding the item to answer the question. The Mayor was aware that Ms. Hamilton is currently looking at different places that provide occupational health services, as Newton Wellesley is overcrowded and cannot always provide that type of service in a timely manner.

Ald. Parker spoke on the item. It was a different economic climate when the resolution to the Mayor regarding PILOTs was approved last year. It is a very difficult time to attempt to get PILOT money from non-profit institutions. Ald. Parker has had conversations with many of the institutions and some of the institutions have had negative experiences during their dealings at City Hall. The City needs to build healthy relationships with the institutions before pursuing PILOTs and SILOTs. In addition, Mr. Parker has spoken with representatives of Newton Wellesley Hospital and sensed there was a willingness to do more but that they did not want to be singled-out. The hospital could be used as a model for the other institutions. What Newton Wellesley hospital contributes to the City has a cash value and other institutions may be willing to do some type of SILOT program. In addition, Ald. Parker will provide Committee members with a list of the tax-exempt institutions within the City of Newton.

Ald. Johnson felt that Ald. Parker was right about the need to build relationships with the institutions before pursuing PILOT programs. Ald. Albright wondered if Boston College School of Management could help with management skills training. Ald. Johnson would like to look at possible SILOT programs with the larger institutions. Ald. Coletti was not in favor of pursuing any type of PILOT or SILOT programs with the institutions. He felt that the institutions give to the community in other ways besides monetary contributions. The Committee should look at creating a better business climate within the City. Ald. Swiston argued that the City throws its entire tax burden on the business. Ald. Coletti countered that the businesses could afford it or they would not be located here. Ald. Swiston stated that the Aldermen cannot allow anything to be taboo or it cannot reshape the City. All of the options should be examined although it may be decided not to pursue an option.

Committee members felt that it would be appropriate to invite representatives of institutions to a discussion with the Committee. Ald. Parker reiterated that it is a very difficult economy for everyone. The City needs to be very careful and should frame the discussion as a give and take conversation. A draft letter will be created to invite the institutions to Committee meetings. With that Ald. Swiston moved hold on the item, which carried unanimously.

All other items were held without discussion.

Respectfully submitted,

Susan S. Albright, Chairman