

CITY OF NEWTON

IN BOARD OF ALDERMEN

LONG RANGE PLANNING COMMITTEE REPORT

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WEDNESDAY, MARCH 29, 2006

Present: Ald. Vance (Chair), Baker, Danberg (Vice-chair), Hess-Mahan, Johnson, Lennon, Parker and Sangiolo; also present: Ald. Linsky, Mansfield and Weisbuch

City personnel present: City Clerk David Olson, Chief Administrative Officer Sandy Pooler and Acting Chief Budget Officer Bob Derbies

The meeting was called to order at 7:55 p.m. Alderman Vance announced that the first item for discussion was a draft of proposed changes in the FY'07 Budget Book. Since MR. Pooler had not yet arrived, the presentation was begun by Mr. DeRubeis.

BUDGET PRESENTATION

Mr. DeRubeis distributed to the Committee copies of examples of proposed changes in the FY'07 Budget Book. Changes consist of budget information being presented in a more concise, readable format, as well as repositioning of some of the traditional information to different sections of the Budget Book.

1. Summary of Budget Changes

Mr. DeRubeis explained that in order to facilitate a quick review of budget changes by department, he and Mr. Pooler have introduced at the front of the budget a Summary of Budget Changes that lists any account that has changed within each department by account title and the amount by which it has increased or decreased over FY'06. This section will consist of a breakdown by department with totals and the percent change from FY'06. In the past, this was done within each element.

2. Personnel FTE Summary

Mr. DeRubeis stated that the Personnel FTE Summary, detailed by department would list the number of full-time employees in FY'06 and the number of full-time employees in FY'07. In prior years, one needed to access each functional element within a department and manually total the changes to obtain a department overview. In conjunction with this synopsis page, specific FTE information will still remain at the functional element page for position particulars.

3. Departmental Information

After the Citywide Summary, information will be catalogued by department. Mr. DeRubeis used the Office of City Clerk as an example. Departmental sections will consist of an organizational chart, a narrative section, departmental summary and a personal services summary.

Organizational Chart – Listing of employees, chain of command, overview of department structure.

Narrative – The narrative is a vehicle to introduce a qualitative overview of each department, to complement the quantitative measures that have been the standard in past budgets. It consists of a mission statement, overview of services and departmental elements, accomplishments of the past fiscal year and goals and objectives of the upcoming year.

Department Summary – Breaks down departmental expenditures by personal services, expenses and fringe benefits.

Personal Services Summary – Looks at the departmental employees, their pay grade, along with FY'06 and FY'07 salaries.

Alderman Baker asked about the meaning of “Accumulated Spec” and “Taken Spec” on the personnel page under “Staff of the Clerk”. Mr. DeRubeis explained that it represents the number of days taken during the course of the year as compared with the number of days actually approved (accumulated). Alderman Baker commented that if someone is taking a significant amount of sick time, there may be good reason for it and asked if this information should be a part of the budget or accounted for in a more aggregate way that would allow access to the information while still honoring the privacy of the individuals concerned.

Alderman Vance stated that he felt that this was the management responsibility of each department head.

Alderman Sangiolo questioned why the City even has this personnel page when the School Department does not have such an item.

Mr. Pooler answered that he does not know why the schools do not have such information available. He said that it may be that the School Department has more turnover than the City Departments have. The real question is why the City has this information available. He thought that it may be expected on the City side and that people want to see who is being paid what. He said that it is a legitimate question as to whether that information should be part of the budget document or not. Years ago, it was removed from the budget document. The Board rejected the budget and asked that it be put back in. There has been a good deal of sensitivity over the years about changing the policy regarding what level of information on individuals should be a part of the budget document.

Mr. Pooler stated that he does not feel strongly one way or the other, but that over the years the public has grown accustomed to having a certain level of information, such as the top 100 paid employees, which has been placed on the Web.

Alderman Sangiolo said she does not have an issue with City side salaries being made public, but if that is the case, and then school salaries should also be made public, not necessarily as part of the Budget but as a separate document made available to the public.

Mr. Pooler stated that all City employees are listed on the Web showing salary, stipends, other detail and the total, as a matter of historical record. We know what people have been paid. We do not know what people are scheduled to be paid. As currently planned, we will know, in the case of police officers, for example, what their educational credits are and some other stipends. The question as sees it is: 1: What should be in the budget for City employees and, 2.) What the School Committee should be reporting about school employees.

Alderman Vance commented that this issue was raised at the School Committee by former School Committee member Barker and himself and that at that time the former School Department was very resistant to including this information. It was raised again by Alderman Vance with School Committee member Larner a year or so ago, and she was resistant to releasing such information. Alderman Vance recognized the fact that between the time when the School Department puts out the budget and the time when it becomes operative, there is substantial turnover so that they might not be able to report everything, but there is no particular reason other than complexity that it could not be included at least as a separate book, so that it would not have to clutter up the budget document. He would like to see this information available as backup information both for City Departments and on the school side.

Alderman Baker questioned why there would be such resistance. Mr. Pooler stated that there is a separate database that Human Resources maintains, separate from the accounting system and separate from the payroll system, since under the old information system, we were not able to integrate that information very well as we publish the budget book out of the old Access Program. The School Department does not do that same thing, so the amount of work that would have to into producing a work like that would be a major endeavor.

Alderman Parker commented that all salary information on the school side is already on the Web.

Alderman Lennon agreed that if the City disclosed its salary information, the School Committee should have no problem doing the same.

Alderman Mansfield agreed with Aldermen Sangiolo and Johnson that if one side of the City disclosed salary information, the other (school side) should do the same. He felt that it is helpful to see what is being paid for any given position as compared to what was paid for the same position during the previous year. He said that it is also helpful to know what positions have been left vacant. What is in the budget is less helpful, as it covers two calendar years.

Alderman Johnson moved that the Committee ask Mr. Pooler and President Baker to work with the Chairman of the School Committee and the Mayor to get better equity between the information included in their budgets. She suggested that both the City and the School Committee be asked to present personnel information at a relative detail level that would not cause the School Department “angina”, and allow us to still obtain the requested data.

Alderman Baker commented that since the Board of Aldermen have only bottom line authority over the budget and cannot get involved in the internal workings of the budget, he can see why there is some concern over getting all of this information when it is not programmatic.

Alderman Hess-Mahan found the management report very helpful in identifying ways in which the City and schools could save money and eliminate duplication.

Alderman Vance asked Mr. DeRubeis if there would be a clear statement in each departmental budget if there would be a budget cut, what would be cut or in cast of a budget increase, what would be needed to add.

Mr. DeRubeis answered that although breakdown is by line item but no justification for each item is given, further information would be justified.

Alderman Vance agreed with the above and wanted to have a clear picture of what we are gaining and losing as a result of budget changes in each of the departments.

Mr. DeRubeis explained that after each department is listed in this capsular format so that the reader can get an overview of the department, the succeeding section of the budget book will allow for a more in-depth analysis if the reader should so desire. This section will contain the detailed budget sheets for each employee and the classification detail sheets for each department.

Personnel Sheets – Information contained on these sheets includes employee name, job title, years of service, vacation, special leave, pay grade, starting and ending salary for the fiscal year.

Classification Detail – In its previous for, the departmental summary gave a total by personal services, expenses and fringe benefits. This new section breaks down each on of those objects by individual account and details current year appropriation, FY'07 recommendation, and the change between the two fiscal years.

Alderman Johnson asked if the Committee could see the goals and objectives as measured against the stated goals and objectives of the previous budget cycle.

Alderman Lennon suggested that it would be helpful if terminology in some line items were explained at the beginning of the budget in glossary form; for example, “transition over time”, “special leave”, and “buyback”. Mr. Pooler agreed that this would be a good idea and could perhaps be incorporated into next year’s budget book. He further commented that the narratives at the beginning of each department section would be structured in similar form so as to make reading easier.

Alderman Baker said that he has been working with Mr. Olson to set up the budget schedule in such a way as to hopefully finish before the Memorial Day weekend, as we did last year.

Alderman Sangiolo asked if it would be possible to avoid having several major budget presentations at the same time (for example, the three “Ps”), as has been the custom. Alderman Baker answered that although that would be ideal, it is very difficult to both schedule presentations at different times and finish the budget process in a timely manner.

Alderman Johnson asked if at least the major budgets (Fire, Police, Schools, Public Works, Parks and Recreation) could be scheduled separately, since if there is a major cut anywhere, it will likely be in those departments. She suggested that there could be a short overview with budget highlights before the entire board, whereupon each department could break away and complete its in-depth presentation before its Committee.

Alderman Lennon agreed that it would be preferable to schedule larger departments at separate times so as to afford Aldermen the opportunity to sit in on these presentations.

Alderman Hess-Mahan commented that with twenty-four Aldermen in the room and asking questions, it could take a very long time to get through what is already a lengthy presentation.

Alderman Mansfield recalled that in the past when the Aldermen received the Mayor’s presentation of his proposed budget, our Committee schedules changed to allow a focus on budget for a period of several weeks to the exclusion of other things. What resulted was a lighter load at the end, with the Committee of the Whole presentation taking less time, as most of the questions had already been asked and answered in the individual Committees.

Alderman Danberg commented that since those presenting their budgets are best able to pick out salient points, it would be helpful to many to be able to hear the presentations of at least the major departments.

Alderman Baker suggested a modified first call model in the Committee of the Whole, in which the report would be presented after having passed through and been recommended by its committee. If someone still had questions on it, it could be brought up on second call. He indicated that he would be happy to work with City Clerk Olson and Vice President Sangiolo to look at some schedule modifications to accommodate some of the above ideas.

Alderman Sangiolo suggested that we go one more step and have NewTV televise the presentations. In answer to comments that dynamics in the room often change when a camera is present, she suggested that only the presentations be taped, with the commentary period afterward being off-camera. NewTV has made the offer to televise any meetings that the Board desires to be covered.

Alderman Mansfield said that in the past, Land Use did not meet during budget presentations, but that Tuesday nights are presently reserved for Land Use meetings. Alderman Baker thought it would be useful if some of the Land Use nights could be used for budget presentations.

Alderman Vance summarized that having heard everyone's views on the budget process; Alderman Baker would now endeavor to work out a schedule that meets everyone's complete wishes. At this point Mr. Pooler and Mr. DeRubeis left the meeting.

Alderman Parker said that he had two items he wished to share in the course of this budget discussion and which he would be happy to distribute to the Board. First, he submitted a sheet on recommended financial forecasting practices put out by the Government Financial Officers' Association. This body recommends that governments at all levels forecast major revenues and expenditures for a period, which extends for at least three to five years beyond the budget period. Alderman Parker suggested that such a forecast be included as part of the yearly budget, as is the twenty-two page forecasting document (the second item he wished to share) prepared by the Town of Brookline.

Alderman Baker said that he and Alderman Vance are pursuing this matter independently because if we are to do this we need the cooperation of the Executive Department. He therefore recommended not trying to incorporate this into the budget at the moment, and that we first determine what kind of numbers we want and how to make good use of them. Alderman Vance invited Alderman Parker to provide these items to Alderman Danberg for inclusion with this Committee Report, as has been done.

Alderman Sangiolo made a motion as a resolution from this committee that the Executive Department prepares a three to five year forecast. Alderman Baker requested that since he and Alderman Vance are already working on this, that we not make a motion to this effect at this time. Discussion ensued that every year we ask the Executive Department to provide a forecast and it never happens, but that they must have something, because they have provided the Board with a twenty-year financing plan for Newton North.

Alderman Hess-Mahan said that every year the School Committee does a three to five year forecast, which extrapolates the numbers without changing any of the assumptions. This type of document is not a forecast requiring planning, but rather a projection assuming the extension of present conditions. What we are asking for, he felt, was that the Executive do the strategic planning necessary to create a meaningful forecast for three to five years out.

Alderman Vance said that such a forecast is a separate item as relates to the FY'07 budget, as it could not be created in time for this current budget presentation. It is, however, a legitimate subject of ongoing concern and interest and that we need to find a way to get such a document produced.

Alderman Danberg asked Alderman Baker if he could apprise the Committee of the level of discussion that he and Alderman Vance are having with the Mayor on this subject. Alderman Baker responded that he and Mr. Wilkinson are discussing the concern that we have no financial forecast. The Brookline model mentioned by Alderman Parker is under consideration. He said that although the Executive Department has not done this, we could have the Comptroller develop a forecast, but it would be better to coordinate with Mr. Pooler and develop a common set of numbers and then figure out what to do with those numbers. Alderman Baker further

explained that he is thoroughly in sync with the objective, but asked for some more time to see where we should go with it.

Alderman Vance added that in connection with the pursuit of this effort, Mr. Pooler has reported that he has had conversations with Rich Kelleher, the Town Administrator of Brookline about how Brookline does its forecast, what it is used for and what he feels the best use of it has been. President Baker and City Comptroller Wilkinson have been very interested in encouraging this type of forecast. Mr. Wilkinson spent several years doing this type of forecasting in Connecticut, where such forecasting is standard operating procedure. He is familiar with it and believes in its usefulness and that some of the elements that have made the Executive reluctant to do it previously can be addressed and dealt with in such a way that can produce a credible and useful forecast. In short, this discussion is going on and the issue of a forecast being addressed.

Alderman Weisbuch asked for elaboration on the elements that have made the Executive reluctant to produce a forecast. Alderman Vance answered that there have been concerns as to the extent to which one can meaningfully and reliably predict governmental revenues in the future. There are uncertainties, for example, about the level of state aid, which is subject to the whims of the Governor and the Legislature in any given year. The concern is how one can really plan when you have those kinds of issues. Also, there are concerns about showing information in a forecast and how it will affect future collective bargaining negotiations. How can this type of forecasting be done without unduly tipping your hand or boxing you in on collective bargaining issues? There are issues about how to handle revenue projections. Do you play it purposefully conservative in order to enable you to generate more free cash and therefore more contingency funds or do you project revenues at what you really think they are going to be with the expectation that part of them will come out as free cash, but also running the risk that if you project the revenues too high, it may provide a larger target for the unions in collective bargaining negotiations? With the above in mind, there are ways that other communities have found to address these concerns. What is being worked on is to find some agreement between the Comptroller's Office and the Executive Department in a way that can produce an agreed and useful forecast that would satisfactorily address these kinds of concerns.

Alderman Parker observed that in addition to a forecast, one must then do a plan to address what is forecast. He said that in the past, although the City did a long-range forecast, he did not feel that an adequate job had been done on a subsequent plan. Mr. Wilkinson is able to do the forecast and deal with all of its assumptions, but there must be buy-in by the Executive, for it is they who ultimately must do the follow-up plan, because the Mayor is the only authority who can initiate requests for appropriations. Ald. Baker, therefore, felt that Alderman Sangiolo's motion for a resolution was consistent with our goal of achieving a forecast but that any such resolution should await the outcome of his work with Mr. Pooler and Mr. Wilkinson.

Alderman Baker stated that the forecasting process was begun after the Newton North discussion. He said he approached the Administration after it had produced the forecast involving Newton North, and reasoned that we needed to have a longer range forecast on the City side. He reiterated that discussions are ongoing and that the issues behind creation of a

forecast are being addressed. We could go ahead and do our own document, but in this circumstance, there is a need to have a common format and a common set of assumptions.

Alderman Mansfield said that he thought that the best time the majority of the Board can and will focus on this forecasting tool is during the budget period. If Alderman Baker is successful, but the Mayor comes out with a document in August, it will be largely ignored. He felt that if there was any way for some kind of long-range forecast to come out during the 45-day budget review period that would be best. Therefore, it would not hurt for the Mayor to know that the Board was behind the effort to produce a forecast.

Alderman Sangiolo expressed the concern that if much of the Newton North funding plan is based on a forecast, with its set of assumptions; it is difficult to have confidence in the budget the Executive presents if she does not know that the Executive is basing its assumptions on a forecast that leads to a plan. She said that although she will table her request for a resolution, she worries that there is no planning going on and that if we do not get a forecast, she will have trouble voting for the operating budget.

Alderman Danberg commented that if we are to have confidence in the financing package of Newton North, we need to see a forecast of the operating budget that would support it. We should therefore encourage Aldermen Baker and Vance, with or without a resolution, to work with Mr. Wilkinson, Mr. Pooler and the Mayor, and get this going. Since Mr. Wilkinson has done this work before, they can use his prior form as a starting point and work as quickly as possible to arrive at a mutually agreed upon set of assumptions so that we can have at least a draft of a document soon.

Alderman Linsky said that a forecast is important because in addition to building a new Newton North, we need to know what else the City needs and should be doing in the next five to ten years and whether we will have the means to be able to accomplish them. He also feels that we need transparency in having budgets and plans that are understandable by Board members and the public. Part of the budget process should be seeing if we can get a little ahead of the curve.

Alderman Johnson feels that the Newton North issue is the driving factor, for if the Mayor is asking the Board to fund the new high school, we need to understand the bigger picture, which we cannot do on piecemeal information. She said that he needs to involve the people who need to be involved and get their support on things. In order to get people to go your way, she added, you must educate and influence them to believe in what you propose. The Mayor needs to help us help him be a part of his team. The resolution, she felt, should be to encourage the Mayor to work with us so that we can support him, not be in an adversarial position with him.

Alderman Vance agreed with Alderman Johnson and said that some of us have had that conversation with Mr. Pooler and have asked that Mr. Pooler convey those sentiments to the Mayor. He added that if the Mayor does not understand the feelings of the Board, he may be setting up the Board to be the bad guys if it were to vote down the plan for Newton North.

Alderman Baker commented that although his conversations with the Mayor have not been adversarial, they have grown out of Alderman Baker's sense of the Board that without having some longer-range forecast into which to fit the context of the Mayor's funding plan for Newton North, it was not going anywhere.

Alderman Hess-Mahan added that this may be a fortuitous event, which is finally forcing the issue of planning in a way that nothing up to now has succeeded in doing.

Alderman Baker continued that if we did not have this issue of the financing of Newton North, we would still be staring down incremental cuts in the operating budget without addressing them.

Alderman Vance stated that the issue of Newton North has forced the issue of a forward projection of what is going to happen to the City in the next twenty-five years, but unfortunately only in terms of where the dollars are going to come to fund Newton North. The Achilles heel is that it deals with the dollars to fund Newton North and ignores the dollars for everything else.

Alderman Mansfield summarized that what this group of ten of the Board feels is that what is needed is not only a long-range forecast but also a long-range plan. The problem is that there is a plan on the table for the funding of North, and that plan makes most or all of us in some way very nervous because it is not complemented by the larger plan for when we get to the point five or six years down the road when we have several million dollars less in the operating budget. The answer to the question of what happens then is that you have to cut or find a source of additional revenue, but there has to be something more than that for any one of us to feel comfortable in adopting that plan.

SIZE OF THE BOARD

Alderman Vance moved on to the second item on the agenda, a discussion of a plan for self-study of the Board of Aldermen and its work, in conjunction with the proposal for reduction of the size of the Board. He referred committee members to several documents included with the agenda, including an outline of a plan for self-study, an email from Alderman Johnson regarding the need to create a statement of our core work, an earlier email from her to the Board regarding development of an analytical and orderly process-improvement approach and a realistic plan for re-inventing the work of the Board and an email from Alderman Burg with some questions that might be included in a study of how the Board functions.

Alderman Vance said that he thought that one of the main areas of difference between the approach of Alderman Johnson and that of himself is that Alderman Johnson feels that part of the study should be some kind of examination of what the public feels about the Board. Alderman Vance said that he does have the information on the votes taken previously on the general issue of reducing the size of the Board. He wondered how one would get meaningful, reliable input from the public, given that doing a statistically valid survey is time-consuming and costly, and asked for thoughts from the Committee on whether they thought that this type of information was important to the study and if so, how to obtain it.

Alderman Sangiolo felt that it was very important to have public input. She mentioned something that the schools are using called “Survey Monkey” or something similar, which facilitates the polling of families with children in the schools. She also suggested looking into what putting together an online survey would cost.

Alderman Parker said that he subscribes to Survey Monkey and would be happy to offer its use for this purpose.

Alderman Baker felt that we were unlikely to change many minds on the Board by surveying the public regarding size of the Board. The question is whether there is internal information that is going to change minds. He said that he did not feel that surveying the public would be the best use of time or resources but that Alderman Vance’s approach to a self-study would be valuable in determining whether a different sized Board could function well and if so, under what conditions.

Alderman Johnson offered data from the vote in 2000: 19,000 people said yes, 9,271 said no and 11,914 were blank. Thus, more than 50% of the people did not agree that the Board should be reduced.

Alderman Johnson then described some issues and questions that she felt needed to be addressed in the context of a study of the functions of the Board and how they would change if the number of Aldermen was different. She said that although putting a survey on the internet would not be statistically reliable, nor would it be difficult. Other ways of gathering opinions could be a public hearing or focus groups. What we need to find out from people is what they do not like and what services they need from us as a Board.

Alderman Mansfield commented that although he does not support reducing the size of the Board, he thinks that Alderman Johnson’s approach is a valid one because we need to get qualitative information instead of quantitative information (yes, no) because that poll did not tell us anything about what we should do. He said that at all levels of government there is a tendency not to trust government, and that since sixteen members is less government than twenty four, sixteen must be better than twenty four. Therefore, if we are going to do this study, we need to get qualitative information.

Alderman Sangiolo said that one reason that Alderman Baker supported this issue coming to this committee was that we would at least find a way to improve what we are doing or stop doing things that are useless; that getting this kind of information only helps us do a better job.

Alderman Vance asked if there were members of the committee willing to take on the task of creating questionnaires and gathering information.

Alderman Hess-Mahan suggested we start with our own members of the Board because although it would not be a reliable sample, we would at least hear what works well and what does not.

Alderman Danberg agreed that the Board would be a good place to start because things look different from the inside than from without, and that she feels differently as a Board member than she did when she voted in 2000. She would also like to see how other people think we could improve our functioning, as there is always room for improvement. After examining ourselves from the inside, an outside survey would give us another perspective.

Aldermen Johnson and Danberg offered to assist in the gathering of information through development of a survey for the public and Alderman Vance offered to draft a survey addressed to the members of the Board. These drafts will then be circulated to other Aldermen for their suggestions.

The meeting was adjourned by Chairman Vance at 10 p.m.

Respectfully submitted,

Verne Vance, Chair

Victoria Danberg, Vice Chair