



Finance Committee Report

City of Newton In City Council

Monday, November 28, 2016

Present: Councilor Gentile, Ciccone, Norton, Brousal-Glaser, Rice, Blazar, Fuller, and Lappin

Also present: Councilor Auchincloss

City staff present: Lieutenant William Spalding (Police Department), Liam Hurley (Assistant Superintendent, Chief Financial and Administrative Officer; School Department), Regina Moody (Transportation Director; School Department), and Maureen Lemieux (Chief of Staff/Chief Finance Officer)

#378-16 Approval of the proposed Debt Management Policy

HIS HONOR THE MAYOR requesting approval of the proposed City of Newton Debt Management Policy dated October 31, 2016. [10/31/16 @ 2:07 PM]

Action: Finance Approved 5-0-3 (Blazar, Brousal-Glaser, Lappin abstaining)

Note: The Committee held the above item at its meeting in order to give Committee members an opportunity to review all of the details of the proposed Debt Management Policy. Chief of Staff Maureen Lemieux joined the Committee to discuss the draft policy and explained that the Administration would like to see the Debt Management Policy approved this calendar year. The Administration expects to bond several projects early in the calendar year and one of the city's rating agencies has requested the policy.

Comptroller David Wilkinson and Maureen Lemieux drafted the policy attached to the agenda. After reviewing the draft policy, the Vice-chair of the Finance Committee proposed amendments to the policy and provided the Committee with the attached redline version. The Committee reviewed the proposed changes to the draft policy. The real question related to the policy is whether 7% is the appropriate limit for the City's debt service on bonded debt. Currently, the City's debt is at 5.7% of the general budget. The City's debt has increased over the past six years in order to address capital infrastructure needs. There are two other substantive changes but both are non-controversial.

The Committee discussed whether the 4.5% minimum and 7% maximum debt service limits included in the policy should be increased or decreased. There was a suggestion that a minimum limit did not need to be included. One of the arguments for including a minimum limit is that the City should always be investing in its infrastructure. Chief of Staff Maureen Lemieux feels that it is important to include a minimum limit. She added that the policy is a general rule and provides guidance. Councilor Auchincloss joined the Committee to express that instead of setting specific limits it may make sense to direct the Chief Financial Officer to look at what the index of municipal interest rates are, what the City's backlog is in addressing capital improvement projects, and other variables to determine the maximum debt service. He

added that if the City is to use a set limit, it should consider an 8% limit to address its deferred maintenance. The City should increase debt service to reduce its backlog of capital projects, while interest rates are low. Deferred maintenance only becomes more expensive as time passes. Councilor Fuller provided the attached chart of Analysis of Debt as a Percentage of Revenue for several other local communities.

The Chair responded that there are other demands on City funds besides capital projects including operating expenses, and pension and Other Post-Employment Benefits (OPEB) liabilities. The City may not be able to afford to dedicate a larger percent of its budget to debt service. External forces like low interest rates should not push the City into doing things it cannot afford. It is a question of what percent of the budget should go to fund debt service. Other Committee members voiced concern about increasing debt. The City has substantially raised the debt service over the past few years.

The Chair proposed amending the policy to reflect a 4% minimum and a 7.5% maximum for debt service limits. If there were a compelling reason to exceed the maximum limit, the Administration could make a request to exceed the limit. The City has worked hard to maintain its Aaa Rating and it is important that it does not jeopardize that by going into too much debt. The Committee took a straw vote on the Chair's proposal, which carried by a vote of five in favor, one opposed (Lappin), and two abstentions (Blazar and Brousal-Glazer). Councilor Lappin is more comfortable with a range of 4% to 7%. Councilor Blazar and Brousal-Glazer would like an opportunity to speak with the Comptroller before they form an opinion on the limits. The Committee reviewed the additional changes proposed in Councilor Fuller's redline draft and agreed on the changes outlined in the attached policy dated November 28, 2016.

Councilor Ciccone moved approval of the item with the suggested changes, which carried by a vote of five in favor, none opposed, and three abstention. The Councilors who abstained would like further opportunity to review the draft and to consult with the Comptroller.

#398-16 **Authorization to expend Byrne Memorial Justice Assistance Grant of \$94,863**
HIS HONOR THE MAYOR requesting authorization to accept and expend the Edward J. Byrne Memorial Justice Assistance Grant in the amount of ninety-four thousand eight hundred sixty-three dollars and twenty cents (\$94,863.20) for the purpose of continuing to fund a Jail Diversion Clinician. [11/17/16 @12:56 PM]

Action: **Finance Approved 7-0 (Norton not voting)**

Note: Police Lieutenant William Spalding presented the request to accept and expend the Edward J. Byrne Memorial Justice Assistance Grant received by the Police Department. The grant of \$94,863.20 would continue to fund a jail diversion program for the next year. The funds would be used to continue to cover the salary and costs associated with contracting with Riverside Community Care for a full-time social worker to respond to mental health and substance abuse calls. The program has been very successful and reduced the number of emergency room visits and arrests by providing people with the right resources for treatment

to address their issues. In addition to funding the social worker, the grant provides funding for training police officers on the program.

The social worker currently works between 12 PM and 8 PM giving her the opportunity to work with both the day and night shifts. In Lieutenant Spalding's opinion, this program is worthwhile and he has received positive feedback from the community. There is a growing trend to include this type of expertise within police departments. Although, it is unlikely that the City will receive full grant funding for the program next year, it may make sense to consider how to continue funding the social worker. Chief of Staff Maureen Lemieux explained that the Administration will be looking at options for continuing the program. The city could continue to contract with Riverside Care or opt to hire a social worker. When the grant funding is over, the Administration will make that decision. The Committee was supportive of the program and the grant and Councilor Rice moved approval, which carried unanimously.

Referred to Programs & Services and Finance Committees

#381-16 Appropriate \$405,900 to supplement School Department busing costs

HIS HONOR THE MAYOR requesting authorization to appropriate and expend four hundred five thousand nine hundred dollars (\$405,900) from the Override Stabilization Fund for the purpose of supplementing busing costs incurred by the Newton Public Schools in transporting student from the Zervas Elementary School neighborhood to the Carr School during the 2016-2017 school year.
[10/31/16 @ 2:06 PM]

Programs & Services Approved 4-0 (Leary not voting) on 11/09/16

Action: Finance Approved 8-0

Note: Assistant School Superintendent and Chief Financial and Administrative Officer Liam Hurley presented the request for \$405,900 to fund five buses to transport students from the Zervas School district to the Carr School during the construction of the new Zervas School, as agreed upon by the Mayor. Chief of Staff Maureen Lemieux explained that funding for supplemental transportation costs during the Angier School and the Cabot School projects are part of both debt override packages. Although, the buses were not part of the original budget for the project, the Administration has known about the Zervas busing costs for a few years. It is appropriate to fund the costs of the Zervas buses from the Override Stabilization Fund, as they are costs associated with the project.

There was an update on the bus drop-off and pick-up at the Carr School. There were initial problems with the drop-off and pick-up but drivers are adjusting to the new traffic patterns. The Police enforcement around Carr School played a major role in changing driver behavior. The staff at Carr School is phenomenal at making everything run smoothly when it comes to safety and pick-up and drop-off. With that, Councilor Fuller moved approval, which carried unanimously.

#377-16 Authorization to enter into 5-year school bus contract

HIS HONOR THE MAYOR requesting authorization in accordance with MGL chapter 30B, Sec. 12 to permit the Newton Public Schools to solicit bids and enter into a 5-year contract for school bus transportation including the METCO bus services. [10/31/16 @ 2:06 PM]

Action: Finance Approved 8-0

Note: Assistant School Superintendent and Chief Financial and Administrative Officer Liam Hurley explained that the School Department would like to enter into a 5-year contract for its school bus transportation. The School Department is in the process of putting together a multi-million dollar bid package for bus transportation. A 5-year contract is attractive to vendors and the School Department would likely receive better pricing on a five year versus a three-year contract. The goal is to make the bidding process as competitive as possible. The contract will include the bus services for the Metco Program. The city receives a reimbursement from the State for the costs of the Metco bus services. In addition, the bid will include a request for rates for athletic events and other bus services, such as field trips.

The School Department currently uses 44 buses for student transportation at a cost of approximately \$82,000 per year for each bus. The bid will include language for an increase or decrease in the number of buses needed to account for possible changes like a later start time at the high schools. There is group working on bid language that will also analyze all the bids that the School Department receives. The group is looking at the possibility of combining bus routes, if a bus completes its route early it may be able to pick up an additional route within the City.

The Committee reviewed the student bus fees that the School Department charges families for the use of the school bus. There is no fee for elementary school children that take the bus and there is no fee for sixth grade students that live more than two miles from their school; however, there is a \$310 per student with a family cap of \$620 for students in grades seven through twelve. There were questions regarding whether there were seatbelts on the buses. Each bus has 77 seatbelts, which are required in the bus contract. State law requires that every student must sit while riding on a bus.

There was a request that the School Department look at the possibility of using electric buses. Mr. Hurley responded that he would need to research the possibility but it may add costs to the contract. There might be incentive funding available for the purchase of an electric bus but it may only be for buses acquired by a municipality. Mr. Hurley is open to electric buses and will do research but the School Department needs to get the contract in place as soon as possible. The School Department can make amendments to the contract in the future, if the electric buses are feasible. With that, Councilor Lappin moved approval, which carried by a vote of eight in favor and none opposed.

Referred to Programs & Services and Finance Committees

#31-15(4) Amend Chapter 20 Section 51 Civil Fine for Littering to Include Yard Waste
PROGRAMS & SERVICES COMMITTEE requesting that the City of Newton Ordinances Chapter 20, Section 51, Depositing of Litter, be amended to include leaves, yard waste, and other similar material, and that civil fines be associated with violations of the section and added to Chapter 20, Section 21. [03/24/16 @1:41 PM]

Prog & Serv Approved 5-0 (Councilor Schwartz not voting) on 10/19/16

Action: **Finance Approved 8-0**

Note: The Committee held the above item at its meeting on November 14, 2016 for a redline draft of the proposed amendments to the Ordinances. The redline draft was attached to the agenda for this meeting. After the Committee reviewed the proposed ordinance, Councilor Ciccone moved approval. The Committee was in agreement with the proposed amendments and supported the motion unanimously.

All other items before the Committee were held without discussion and the Committee adjourned at 8:47 PM. Draft Council Orders for the above items that are recommended for City Council action are attached.

Respectfully submitted,

Leonard J. Gentile, Chair

CITY OF NEWTON, MASSACHUSETTS
DRAFT DEBT MANAGEMENT POLICY
October 18, 2016

The City of Newton uses a variety of capital assets for the purpose of providing community services. The assets consist of land; ~~public buildings;~~ recreation facilities; community infrastructure (road network; ~~S,~~ storm and sanitary sewer networks; ~~and~~ and water distribution networks) and major pieces of equipment.

The annual Capital Improvement Program (Section 5-3) of the City Charter is used to prioritize capital asset acquisition and improvement plans for the ensuing five (5) year period. The Capital Improvement Program represents the City's plan for meeting capital needs; ~~however, individual project funding appropriations~~ and funding orders recommended by the Mayor and approved by the Council are required for purposes of executing to execute the capital plan.

Since Newton residents; ~~businesses;~~ visitors and taxpayers benefit from capital assets over a period of years, long term debt financing is the City's primary ~~(-- but not exclusive)--~~ means of funding capital assets and improvements. In addition, as the community benefits from capital assets over a long period of time, the term of the debt generally coincides with the projected useful life of the asset.

All bond authorizations and related capital asset and improvement appropriations originate with a recommendation of the Mayor and require a 2/3 two-thirds vote of approval by the City Council. Since bond authorizations and related capital appropriations are subject to the referendum provision of the City Charter (Section 10), no such authorization or appropriation is available for obligation until 20 days has passed from the Mayor's signature of the City Council vote on the matter. All authorized and unissued long term debt and issued long term debt is accounted for on the City's general ledger in one of four General Long Term Debt Account Groups. The first group is ~~one~~ for debt being repaid from general revenues of the City and the other three are ~~one~~ for Stormwater; Sanitary Sewer; and Water debt that is expected to be repaid from the dedicated revenues; ~~from the individual enterprise funds.~~

Debt limits: Massachusetts municipal finance law limits the total amount of long term debt that the City can incur for most purposes to not more than 5% of the City's equalized valuation (i.e., the taxable value of the real estate tax base). As of October 2016, tThe City's current equalized valuation is approximately \$26 billion, which means that the current statutory debt limit is approximately \$1.3 billion.¹ In addition to the statutory debt limit, the City of Newton has a self-imposed policy of limiting debt service on long term bonded debt to between 4.5% and 7% of the annual General Fund budget.² [NOTE: I THINK 7% MIGHT BE TOO LOW. MANY AAA COMMUNITIES ARE AT 7%. CAN WE GET MOODY'S OR STANDARD AND POORS TO PROVIDE US WITH THE PERCENT FOR PEER COMMUNITIES THAT ARE TRIPLE A? ARE ANY ABOVE 7%? WE MAY WANT TO HAVE THE FLEXIBILITY OF 7.5%, FOR EXAMPLE.]

Massachusetts General Law Chapter 44, Sections 7 and 8 identify both the purposes for which the City is authorized to fund with long term debt and the maximum term for which debt can be issued. Although all debt issued by the City is general obligation debt (meaning that the full faith and credit of the City has

¹ As of October 2016, the City has \$244 million of debt. CHECK THE NUMBER

² As of October 2016, the total debt represent 5.7% of the annual general fund budget. CHECK THE PERCENTAGE

CITY OF NEWTON, MASSACHUSETTS
DRAFT DEBT MANAGEMENT POLICY
October 18, 2016

been pledged to support full and timely repayment of all long term debt obligations), debt service on bonded debt that is related to public services that are financed principally from dedicated revenues (water and sewer utilities and community preservation activities) is funded from the dedicated revenue sources and not from general revenues of the City.

Debt structuring: Insofar as the municipal finance laws of the Commonwealth of Massachusetts allow, the City makes every effort to issue debt for a term that approximates the projected useful life of the capital asset or improvement. [It is the City's policy to not issue debt for more than 30 years or less than 10 years.](#) All bonded debt of the City is issued at fixed rates of interest, based upon open and competitive sales. Although bond maturity schedules are generally issued so as to have an equal amount of debt retired each year, the City may structure maturity schedules such that the result is equal annual debt service, if this is determined to be in the best interests of the City.

Debt issuance: In order to assist the City in the efficient and effective planning for new debt issuance and refunding of outstanding debt, the City utilizes the services of an independent professional investment advisor and an attorney with expertise in tax-exempt bond law. Both are compensated on a fee for services basis.

In order to fund necessary capital projects as expenditures are being incurred, the City expects to sell long term debt on an annual basis. The timing of annual bond sales is expected to occur following the issuance of the audited Comprehensive Annual Financial Report for the prior fiscal year ([typically in December](#)) and at a date that the City's independent financial advisor determines is likely to generate the most favorable financial terms for the City.

[A financial goal of the City of Newton is to continue to have the highest credit rating available in order to borrow new money and to refinance existing debt at the lowest interest rates.](#)

Although the City has historically utilized the services of a single credit rating agency for purposes of reporting on the creditworthiness of the City bonded debt, a second credit rating was sought in 2016.

Multiple ratings will continue to be acquired if [such are it is](#) determined to be in the best interests of the City by the independent financial advisor and the City's senior financial management team.

All bond sales of the City are to be done through an open and competitive process, with the award being made to the financial institution offering the lowest net interest cost to the City over the term of the debt (including any premium offering).

[The City will annually look for potential savings in the cost of debt by amazing the benefits of refunding opportunities.](#)

Debt management practices: In addition to accounting for each debt authorization and debt issuance, the Comptroller of the City is responsible for maintaining a separate accounting of bond proceed sources and uses by individual capital project and improvement within one of several capital project

CITY OF NEWTON, MASSACHUSETTS
DRAFT DEBT MANAGEMENT POLICY
October 18, 2016

funds on the City's general ledger. The department head to whom a debt financed capital project has been voted has primary responsibility for authorizing expenditures ~~only~~ for those purposes specifically approved in the bond authorization and appropriation recommended by the Mayor and approved by the Council. The Comptroller is authorized to deny any proposed expenditure that he or she determines is not within the project scope and/or does not have a projected useful life that coincides with the term of the debt that has been issued for the project. [NOTE: WE MAY HAVE TO CLARIFY. BUILDINGS HAVE A PROJECTED USEFUL LIFE LONGER THAN 30 YEARS BUT WE DON'T ISSUE DEBT FOR MORE THAN 30 YEARS. THE PREVIOUS SENTENCE NEEDS TO BE MODIFIED A BIT TO CLARIFY.]

Premiums earned on the sale of long term debt are generally general revenues of the City. ~~How~~ However, premiums earned on projects that have been approved by the voters of the City for a Proposition 2 ½ debt exclusion, are reserved on the general ledger for appropriation by the Mayor and Council for purposes of reducing the total amount of debt that will be issued for the debt excluded project.

In order to demonstrate compliance with federal requirements for the timely disbursement of bond proceeds, all cash proceeds from the sale of bonds are deposited in a separate money market account maintained by the Treasurer. Based upon the Comptroller's quarterly reports of debt financed project disbursements, the Treasurer reimburses general cash for the prior quarter's disbursements. The Comptroller maintains detailed records of debt financed capital project expenditures for arbitrage monitoring purposes.

The City's CFO, ~~Treasurer,~~ Treasurer, and Comptroller are responsible for monitoring the proposed and actual use of the assets funded by tax exempt bond proceeds for any potential "private activity uses" and for promptly notifying bond counsel of any potential issues for his or her review and final advice.

In order to provide investors and credit rating agencies with current information on the financial position and operating results of the City, every effort is made to issue the Budgetary Basis Annual Financial Report by September 1 of each year and the audited Comprehensive Annual Financial Report by December 31 of each year and to make all other required disclosures on a timely and accurate basis. Interim monthly and quarterly financial reports are also posted on the Comptroller's page of the City web site.

Pursuant to the Massachusetts municipal finance law, any balance that remains in a debt financed capital project, after the project has been completed, is available for re-appropriation by the Mayor and Council for another project for which the City could have borrowed for a term equal or greater than the original purpose.

Analysis of Debt as a Percentage of Revenues
Ruthanne Fuller 11/26/16

	2013 Population	Total Debt Service 2014 (M)	2014 Total Revenues	Total Debt Service Per Capita	Total Debt/Total Revenues	Moody's Bond Rating	S&P Bond Rating
Newton	87,971	\$22.90	340.6	\$260.31	6.7%	Aaa	AAA
Arlington	44,028	\$10.30	133.2	\$233.94	7.7%	Aa1	AAA
Belmont	25,332	\$6.40	91.8	\$252.64	7.0%	Aaa	
Brookline	59,128	\$11.80	223.7	\$199.57	5.3%	Aaa	
Framingham	70,441	\$21.90	242.1	\$310.90	9.0%	Aa2	AA
Lexington	32,650	\$16.50	175.3	\$505.36	9.4%	Aaa	
Natick	35,214	\$18.60	125.8	\$528.20	14.8%	Aa1	AAA
Needham	29,736	\$13.00	129.5	\$437.18	10.0%		AAA
Wellesley	29,090	\$13.60	133.1	\$467.51	10.2%	Aaa	AAA

Source: Massachusetts Department of Revenue, Division of Local Services

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~~October 1~~November 28, 2016

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The annual Capital Improvement Program (Section 5-3) of the City Charter is used to prioritize capital asset acquisition and improvement plans for the ensuing five (5) year period. The Capital Improvement Program represents the City’s plan for meeting capital needs. Individual project funding appropriations and funding orders recommended by the Mayor and approved by the Council are required to execute the capital plan.

Since Newton residents, businesses, visitors and taxpayers benefit from capital assets over a period of years, long-term debt financing is the City’s primary -- but not exclusive-- means of funding capital assets and improvements. In addition, as the community benefits from capital assets over a long period of time, the term of the debt generally coincides with the projected useful life of the asset.

All bond authorizations and related capital asset and improvement appropriations originate with a recommendation of the Mayor and require a two-thirds vote of approval by the City Council. Since bond authorizations and related capital appropriations are subject to the referendum provision of the City Charter (Section 10), no such authorization or appropriation is available for obligation until 20 days has passed from the Mayor’s signature of the City Council vote on the matter. All authorized and unissued long term debt and issued long term debt is accounted for on the City’s general ledger in one of four General Long Term Debt Account Groups. The first group is for debt being repaid from general revenues of the City and the other three are for Stormwater, Sanitary Sewer, and Water debt that is expected to be repaid from the dedicated revenues from the individual enterprise funds.

Debt limits: Massachusetts municipal finance law limits the total amount of long term debt that the City can incur for most purposes to not more than 5% of the City’s equalized valuation (i.e., the taxable value of the real estate tax base). As of October 2016, the City’s current equalized valuation is approximately \$26 billion, which means that the current statutory debt limit is approximately \$1.3 billion.¹ In addition to the statutory debt limit, the City of Newton has a self-imposed policy of limiting debt service on long term bonded debt to between 4.5% and 7.5% of the annual General Fund budget.² ~~[NOTE: I THINK 7% MIGHT BE TOO LOW. MANY AAA COMMUNITIES ARE AT 7%. CAN WE GET MOODY’S OR STANDARD AND POORS TO PROVIDE US WITH THE PERCENT FOR PEER COMMUNITIES THAT ARE TRIPLE A? ARE ANY ABOVE 7%? WE MAY WANT TO HAVE THE FLEXIBILITY OF 7.5%, FOR EXAMPLE.]~~

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CITY OF NEWTON, MASSACHUSETTS
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#378-16

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all debt issued by the City is general obligation debt (meaning that the full faith and credit of the City has been pledged to support full and timely repayment of all long term debt obligations), debt service on bonded debt that is related to public services that are financed principally from dedicated revenues (water and sewer utilities and community preservation activities) is funded from the dedicated revenue sources and not from general revenues of the City.

Debt structuring: Insofar as the municipal finance laws of the Commonwealth of Massachusetts allow, the City makes every effort to issue debt for a term that approximates the projected useful life of the capital asset or improvement. ~~It is the City's policy to not issue debt for more than 30 years or less than 10 years.~~ All bonded debt of the City is issued at fixed rates of interest, based upon open and competitive sales. Although bond maturity schedules are generally issued so as to have an equal amount of debt retired each year, the City may structure maturity schedules such that the result is equal annual debt service, if this is determined to be in the best interests of the City.

Debt issuance: In order to assist the City in the efficient and effective planning for new debt issuance and refunding of outstanding debt, the City utilizes the services of an independent professional investment advisor and an attorney with expertise in tax-exempt bond law. Both are compensated on a fee for services basis.

In order to fund necessary capital projects as expenditures are being incurred, the City expects to sell long term debt on an annual basis. The timing of annual bond sales is expected to occur following the issuance of the audited Comprehensive Annual Financial Report for the prior fiscal year (typically ~~in~~ ~~December~~by December 31st) and at a date that the City's independent financial advisor determines is likely to generate the most favorable financial terms for the City.

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A financial goal of the City of Newton is to continue to have the highest credit rating available in order to borrow new money and to refinance existing debt at the lowest interest rates.

Although the City has historically utilized the services of a single credit rating agency for purposes of reporting on the creditworthiness of the City bonded debt, a second credit rating was sought in 2016. Multiple ratings will continue to be acquired if it is determined to be in the best interests of the City by the independent financial advisor and the City's senior financial management team.

All bond sales of the City are to be done through an open and competitive process, with the award being made to the financial institution offering the lowest net interest cost to the City over the term of the debt (including any premium offering).

The City will annually look for potential savings in the cost of debt by amazing the benefits of refunding opportunities.

Debt management practices: In addition to accounting for each debt authorization and debt issuance, the Comptroller of the City is responsible for maintaining a separate accounting of bond proceed

CITY OF NEWTON, MASSACHUSETTS
DRAFT DEBT MANAGEMENT POLICY
~~October 1~~November 28, 2016

sources and uses by individual capital project and improvement within one of several capital project funds on the City's general ledger. The department head to whom a debt financed capital project has been voted has primary responsibility for authorizing expenditures for those purposes specifically approved in the bond authorization and appropriation recommended by the Mayor and approved by the Council. The Comptroller is authorized to deny any proposed expenditure that he or she determines is outside the project scope and/or the term of the debt that has been issued for the project exceeds the projected useful life of the capital asset. ~~[NOTE: WE MAY HAVE TO CLARIFY. BUILDINGS HAVE A PROJECTED USEFUL LIFE LONGER THAN 30 YEARS BUT WE DON'T ISSUE DEBT FOR MORE THAN 30 YEARS. THE PREVIOUS SENTENCE NEEDS TO BE MODIFIED A BIT TO CLARIFY.]~~

Premiums earned on the sale of long term debt are generally general revenues of the City. However, premiums earned on projects that have been approved by the voters of the City for a Proposition 2 ½ debt exclusion are reserved on the general ledger for appropriation by the Mayor and Council for purposes of reducing the total amount of debt that will be issued for the debt excluded project.

In order to demonstrate compliance with federal requirements for the timely disbursement of bond proceeds, all cash proceeds from the sale of bonds are deposited in a separate money market account maintained by the Treasurer. Based upon the Comptroller's quarterly reports of debt financed project disbursements, the Treasurer reimburses general cash for the prior quarter's disbursements. The Comptroller maintains detailed records of debt financed capital project expenditures for arbitrage monitoring purposes.

The City's CFO, Treasurer, and Comptroller are responsible for monitoring the proposed and actual use of the assets funded by tax exempt bond proceeds for any potential "private activity uses" and for promptly notifying bond counsel of any potential issues for his or her review and final advice. In order to provide investors and credit rating agencies with current information on the financial position and operating results of the City, every effort is made to issue the Budgetary Basis Annual Financial Report by September 1 of each year and the audited Comprehensive Annual Financial Report by December 31 of each year and to make all other required disclosures on a timely and accurate basis. Interim monthly and quarterly financial reports are also posted on the Comptroller's page of the City web site.

Pursuant to the Massachusetts municipal finance law, any balance that remains in a debt financed capital project, after the project has been completed, is available for re-appropriation by the Mayor and Council for another project for which the City could have borrowed for a term equal or greater than the original purpose.

CITY OF NEWTON

IN CITY COUNCIL

2016

ORDERED:

That, in accordance with the recommendation of the Finance Committee through its Chair Leonard J. Gentile, the ***City of Newton Debt Management Policy***, is hereby approved, and on file with the Clerk of the City Council and attached hereto.

Under Suspension of Rules
Readings Waived and Approved

(SGD) DAVID A. OLSON
City Clerk

(SGD) SETTI D. WARREN
Mayor

Date _____

CITY OF NEWTON

IN CITY COUNCIL

2016

ORDERED:

That, in accordance with the recommendation of the Finance Committee through its Chairman Leonard J. Gentile, His Honor the Mayor is hereby authorized to accept and expend the Edward J. Byrne Memorial Justice Assistance Grant in the amount of ninety-four thousand eight hundred sixty-three dollars and twenty cents (\$94,863.20) for the purpose of continuing to fund a Jail Diversion Clinician and other associated costs.

Under Suspension of Rules
Readings Waived and Approved

(SGD) DAVID A. OLSON
City Clerk

(SGD) SETTI D. WARREN
Mayor

Date: _____

CITY OF NEWTON

IN CITY COUNCIL

2016

ORDERED:

That, in accordance with the recommendation of the Programs & Services and the Finance Committees through their respective Chairs John B. Rice and Leonard J. Gentile, the sum of four hundred five thousand nine hundred dollars (\$405,900) be and is hereby appropriated from the Override Capital Stabilization Fund for the purpose of supplementing busing costs incurred by the Newton Public Schools in transporting students from the Zervas Elementary School neighborhood to the Carr School during the 2016-2017 school year.

FROM:	Capital Stabilization Fund (39N104-5901)	\$405,900
TO:	Zervas Student Transportation (C301050-53801)	\$405,900

Under Suspension of Rules
Readings Waived and Approved

(SGD) DAVID A. OLSON
City Clerk

(SGD) SETTI D. WARREN
Mayor

Date _____

CITY OF NEWTON

IN CITY COUNCIL

2016

ORDERED:

That, in accordance with the recommendation of the Finance Committee through its Chair Leonard J. Gentile, the City Council hereby authorizes the His Honor the Mayor to enter into a five-year contract for school bus transportation including the METCO bus services.

Under Suspension of Rules
Readings Waived and Approved

(SGD) DAVID A. OLSON
City Clerk

(SGD) SETTI D. WARREN
Mayor

Date _____

CITY OF NEWTON

IN CITY COUNCIL

ORDINANCE NO. A-

2016

BE IT ORDAINED BY THE CITY COUNCIL
OF THE CITY OF NEWTON AS FOLLOWS:

That the Revised Ordinances of Newton, Massachusetts, 2012, as amended, be and are hereby further amended as follows:

In Sec. 20-21. Enforcing persons and revised ordinances subject to civil fine.

Amend paragraph (d), POLICE DEPARTMENT, by adding after Sec. 20-13. Noise Control, the following:

- () First offense in calendar year Warning
- () Second offense in a calendar year.....\$100.00
- () Third offense in a calendar year..... \$200.00
- () fourth or subsequent offense in calendar year \$300.00

And

In Sec. 20-51. Depositing of litter.

Insert, in the first sentence of Sec. 20-51, after the words “materials” the following language:

“any dirt, leaves, grass clippings, trimmings from trees or shrubs, wood chips, or other yard waste or”