

CITY OF NEWTON

IN BOARD OF ALDERMEN

FINANCE COMMITTEE REPORT

MONDAY, MARCH 23, 2015

Present: Ald. Gentile (Chairman), Ciccone, Brousal-Glaser, Rice, Blazar, Fuller, and Lappin

Absent: Ald. Norton

Also present: Ald. Crossley

City staff present: Alice Ingerson (Community Preservation Planner), James Reardon (City Treasurer/Collector), Bill Ferguson (Project Manager; Public Buildings), Josh Morse (Commissioner of Public Buildings), David Turocy (Commissioner of Public Works), Maureen Lemieux (Chief Financial Officer/Chief of Staff), and David Wilkinson (Comptroller)

REFERRED TO LAND USE & FINANCE COMMITTEES

#55-15 **COMMUNITY PRESERVATION COMMITTEE** recommending the appropriation of five hundred eighty-four thousand twenty-nine dollars (\$584,029) from the Community Preservation Fund to the Planning & Development Department for a grant to citizens for Affordable Housing Development in Newton (CAN-DO), to create two units of permanently affordable rental housing at 54 Taft Avenue, West Newton, as described in the proposal submitted in January 2015. [02/17/15 @ 8:57 AM]

LAND USE APPROVED 6-0 on 03/17/15

ACTION: **APPROVED 6-0-1 (Fuller abstaining)**

NOTE: Chair of the Community Preservation Committee Joel Feinberg presented the request for \$584,029 in Community Preservation Act grant funds for CAN-DO to create two units of permanently affordable rental units at 54 Taft Avenue, West Newton. When the renovation project is complete, the house will have a two-bedroom unit and a three-bedroom unit. The plan is to rent the two-bedroom unit at up to 50% of the area median income and the three-bedroom unit at up to 80% of the area median income. The neighborhood submitted letters to the Community Preservation Committee in support of the project.

Mr. Feinberg spoke on the high costs of the acquisition of the property. CAN-DO is the only organization that provides this type of affordable housing in Newton. The cost of acquiring individual existing properties for affordable housing continues to rise. The cost of acquisition of 54 Taft Avenue is \$590,000, which is higher than other housing projects that CAN-DO has undertaken in the past. When the Community Preservation Committee discussed the request for funds with representative of the City's Administration, the question of whether there was a better way to provide this type of housing was asked. The response was that the Administration has looked for a better plan but found nothing better. After review of the project finances, the Community Preservation Committee felt that the numbers for the project made sense and were reasonable and voted to recommend the appropriation. The recommendation was approved unanimously, as the developers' fee for the project is reasonable, there is no long-term debt, it is eligible for federal funding, the project uses an existing building, and the neighborhood supports the project.

The backup material that was attached to the agenda included a development budget and 10-year operating budget for the project. The total estimated cost of the project is \$1,144,029, which is to be funded through \$360,000 in Community Development Block Grant (CDBG) funds, \$125,000 in HOME funds, \$584,029 from CPA funds, \$60,000 from a foundation grant and \$15,000 from Eliot Church fundraising. The development budget includes a \$10,000 fund replacement reserve. The attached 10-year operating budget states that the effective annual income is \$30,240 less operating expenses of \$26,186 leaving a net cash flow of \$2,542 in the first year; however, the operating costs climb and cash flow decreases over the 10-year period leaving \$165 in cash flow by year ten. The 10-year budget includes a breakdown of all expenses including maintenance costs, reserve funds, and supportive services costs.

There was some concern that the long-term costs of the project are higher than the rental income. If the project is approved, does that mean the City understands that the City may need to financially support the project in the future? Mr. Feinberg responded that, yes, the City should be aware of that possibility, as the replacement reserves will not cover all costs in the future. It was also pointed out that the attached Planning Department memo on the proposal states that the project uses 98% of the available HOME funding and 41% of the CDBG funding. The project is almost solely reliant on federal resources and although there is no debt associated with the project, it is not sustainable. Josephine McNeil of CAN-DO pointed out that CAN-DO fundraises extensively cover financial needs associated with its projects. In addition, the City is not the only resource that CAN-DO can tap if it needs additional funds. The State has a number of programs and grants. CAN-DO is not operating differently than any other non-profit organization. It is difficult to know what will happen with affordable housing in the next ten years.

The project funding is not perfect but it is a great project that addresses a real need for affordable housing. The Community Preservation Committee unanimously recommended the use of CPA funds with several conditions including that CAN-DO provide the Community Preservation Committee and the Board of Aldermen with status updates and a written report. Ald. Brousal-Glaser moved approval of the request, which carried by a vote of six in favor and one abstention.

#25-15 ALD. GENTILE requesting a discussion regarding the establishment of an Investment Advisory Committee to be comprised of the Treasurer, Chief of Staff/Chief Financial Officer, Comptroller, Chairman of Finance and three residents of the City of Newton.
[01/09/15 @ 1:57 PM]

ACTION: **HELD 7-0**

NOTE: The Chair explained that this is a preliminary discussion regarding exploring establishing an Investment Advisory Committee. The City's Rainy Day Stabilization fund should always contain 5% of the City's operating budget. As the City's budget grows, the Rainy Day Stabilization Fund needs to grow with it. If the City could invest either all of or a portion of the \$17 million in the Rainy Day Stabilization in long-term investment vehicles that provide a higher rate of return, it could mean the City would not have to fund the increases in the Rainy Day Stabilization Fund. The Chair provided the attached graph of an investment of \$17 million with different interest rates over a fifteen-year timeframe. The City would need returns of 4% per year to keep up with budget growth.

The City's Treasurer does not have a lot of leeway in terms of investment options for stabilization funds. State Laws dictate that the Treasurer can invest stabilization fund in national, savings or cooperative banks, State trust companies, federal savings and loan associations within Massachusetts, and the Massachusetts Municipal Depository Trust. The Rainy Day Stabilization Fund is considered short-term fund that needs to be accessible, which is why there are stringent laws regarding investment. Currently, the Rainy Day Stabilization Fund money is in a money market account, which earns .5% interest. It may be appropriate to investigate the possibility of submitting a request for Home Rule Legislation to allow a portion of the Rainy Day Stabilization Fund to be considered long-term in order to invest it in different vehicles.

An Investment Advisory Committee could also look at how to invest funds in trusts that are not managed by a Board of Trustees. It may be beneficial for the City to have this type of Committee to look at different options and possibilities as they relate to getting the best return on investments. The Treasurer would always have the final say on where funds are invested. The Investment Advisory Committee would also follow the City's financial guidelines to ensure that investment suggestions are in line with the City's guidelines and State Law.

The Treasurer Jim Reardon stated that he has no objection to this type of Committee and it would be helpful to have a review by people with investing expertise to ensure that the City is not missing opportunities for better investments. Mr. Reardon did add that as Treasurer he is responsible for any loss of funds. Chief of Staff Maureen Lemieux added that the Administration has no objection to the establishment of this type of Committee.

The Chair suggested that he talk with the Chief of Staff, the Treasurer, and Comptroller to get further information before deciding how to proceed. With that, Ald. Lappin moved hold, which was supported unanimously.

#50-15 HIS HONOR THE MAYOR requesting authorization to appropriate eleven thousand five hundred fifty dollars (\$11,550) from the Energy Stabilization Fund to obtain an Energy Solar Consultant to assist the City in developing solar projects on the landfill and several other locations on City properties. [02/23/15 @ 4:55 PM]

ACTION: **APPROVED 7-0**

NOTE: Public Buildings Department Project Manager Bill Ferguson presented the request for \$11,500 to hire a consultant to help develop solar projects on City property similar to what was done for the school solar projects. The City is looking at expanding its solar program by looking at ground mount solar arrays as well as additional roof mounted solar panels. The Rumford Avenue Landfill looks like it would be a good location for the ground mount panels. The consultant will also look at the possibility of installing solar panels at the Department of Public Works yards, Newton South High School, Angier, Zervas and Cabot Elementary Schools, and adding carports with solar panels to city parking lots.

It was pointed out that the Rumford Avenue Landfill is a controversial site. It is very important that the neighbors of the landfill are fully aware of possible plans. Mr. Ferguson stated that he

expects to have a public forum when he has some specifics to share with the neighborhood. Notification of any solar array installation is the key to success.

The Public Buildings Department has solicited quotes and has selected the lowest bidder that is qualified to provide consulting services. The consultant will work with the City on a request for proposals for the installation of solar panels. The City needs an expert that knows the laws and regulations regarding solar panels and has expertise related to power purchase agreements. The consultant will also provide technical expertise to help make the best choices regarding solar energy projects. The Committee asked if the City's current solar projects have proved to be beneficial. Mr. Ferguson responded that they are more beneficial than expected. The City is making a 10 cents profit on every kilowatt-hour on the four installed solar projects.

The RFP for the installation of solar panels should be complete by mid-May for review by the Department of Energy Resources. Any smaller solar projects should be installed in the fall. It is important that the City move quickly on solar projects as the federal tax credit expires in December 2016. Ald. Ciccone moved approval, which carried unanimously.

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

#470-14 **HIS HONOR THE MAYOR** requesting authorization to appropriate the sum of one million dollars (\$1,000,000) from bonded indebtedness for the purpose of funding the installation of an elevator and other accessibility improvements at the War Memorial at City Hall. [11/24/14 @ 3:43 PM]

PUBLIC FACILITIES APPROVED 7-0 on 03-18-15

ACTION: APPROVED 7-0

NOTE: Commissioner of Public Buildings Josh Morse joined the Committee for the discussion of the request to bond \$1 million to fund the installation of an elevator and other improvements in the War Memorial portion of City Hall. The project will provide an accessible route from the War Memorial Circle to the War Memorial Hall, the first floor, and the basement. In addition, the project includes improved bathrooms on the first floor by the Health and Human Services Department. The project was reviewed and approved by the Public Facilities Committee. The Commission on Disability supports the project. The Design Review Committee has reviewed the plans for the elevator and the other improvements and commented that at this point the project is on track.

The Committee received the attached breakdown of the requested funding, which includes an additional \$140,000 in Community Development Block Grant (CDBG) funding. The project is carrying a 10% contingency line item, as it is construction and renovation in a historic building. Ald. Crossley voiced concern that the project includes funding from the CDBG fund. She feels that the CDBG funds would be better spent on addressing the many needs in CDBG target areas. She suggested that the City could bond the addition \$140,000.

Commissioner Morse stated that the Planning & Development Board voted unanimously to support the use of CDBG funds for this purpose. The State would like the City to spend down some of the money in the CDBG fund by May 1, 2015 and this project is shovel-ready. Commissioner Morse

feels that he can spend the \$140,000 by the May 1 deadline. The project is an accessibility project, which qualifies for CDBG funds outside of the target areas, as it provides a community benefit.

Commissioner Morse added that the original project included acoustical improvements as well as the accessibility improvements. It was decided that it made more sense to have a two-phased project. The first phase is the accessibility improvements. The second phase now includes audio and visual improvements instead of just the audio component for a more comprehensive project that addresses more needs.

Ald. Lappin moved approval, which carried unanimously.

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

#73-15 HIS HONOR THE MAYOR requesting authorization to appropriate the sum of five hundred thousand dollars (\$500,000) from Free Cash to supplement the snow and ice operations budget. [03/06/15 @ 11:40 AM]

PUBLIC FACILITIES APPROVED 5-0 (Gentile, Lappin not voting on 03-18-15)

ACTION: HELD 6-0 (Cicccone not voting)

NOTE: Commissioner of Public Works David Turocy presented the request for \$500,000 from Free Cash for snow and ice removal operations. An expenditure status report of the snow and ice budget is attached. The Department has expended \$6,682,306 to date on snow and ice expenses and has \$707,117.65 available to pay outstanding bills. The requested \$500,000 will ensure that the department will have the ability to pay all outstanding bills related to snow and ice operations. The Commissioner does not believe that the Department will need the full amount and will turn back any unused funds.

Once this item is approved, the Free Cash Account will have a balance of \$1.5 million. Committee members felt that it made more sense to have the firm snow and ice costs before appropriating money from Free Cash. Commissioner Turocy and Comptroller David Wilkinson were comfortable with holding the request for two weeks for firmer numbers. Ald. Fuller moved hold, which carried unanimously.

#74-15 HIS HONOR THE MAYOR requesting authorization to transfer and expend the sum of on hundred ninety-five thousand eight hundred seventy-six dollars and forty-one cents (\$195,876.41) for the costs associated with the City’s 2015 bond issuance as follows:

Free Cash	\$118,040.34
Override Stabilization Fund.....	\$77,838.07

ACTION: APPROVED 6-0 (Cicccone not voting)

NOTE: Chief of Staff Maureen Lemieux presented the request for \$195,876 to fund the costs of the City’s bond issuance. The City’s bond sale was very successful. It was held in January on the advice of the City’s financial advisor. The City saved approximately \$2 million because of refunding bonds. The City received over \$1 million in premiums through the sale. There is a high demand for tax-exempt bonds in January and it may make sense to continue to hold bond sales every January. The only risk is that the bond sale may not capture all projects that need to be bonded in a fiscal year. The City

would have to sell Bond Appreciation Notes for those projects. Ald. Lappin moved approval, which carried unanimously.

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

#471-14 **HIS HONOR THE MAYOR** requesting authorization to appropriate the sum of four hundred thousand dollars (\$400,000) from Free Cash to fund the design, construction, and relocation of modular buildings from Zervas Elementary School to Newton South High School for special education program needs. [11/24/14 @ 3:43 PM]
PUBLIC FACILITIES VOTED NO ACTION NECESSARY 5-0 (Lappin, Gentile not voting on 03-18-15)

ACTION: **NO ACTION NECESSARY 6-0 (Ciccone not voting)**

NOTE: Chief of Staff Maureen Lemieux requested that the above item be voted no action necessary. The intent of the docket item was to fund the move of at least two modular classrooms from Zervas Elementary school to Newton South High School. The School Department is still unsure if it wants to pursue this plan. The cost of the move may be as high as \$600,000, which is more than the cost of purchasing two new modular classrooms. The Administration will make another request once the School Department decides what it wants to do with the modular classrooms. Ald. Rice moved no action necessary, which carried unanimously.

Chair's Note: The Financial Audit Advisory Committee's Annual 2014 Report that was submitted to the Finance Committee is attached.

The Committee adjourned at 8:55 PM and all other items before the Committee were held without discussion. Draft Board Orders for the above items that are recommended for Board of Aldermen action are attached.

Respectfully submitted,

Leonard J. Gentile, Chairman

Submitted 15 December 2014

TAFT AVENUE

ITEM		ORIGINAL COST
DEVELOPMENT BUDGET		
SUBTOTAL - ACQUISITION COST		\$ 590,000
CONSTRUCTION COSTS:		
Direct Construction Costs		\$ 357,750
Construction Contingency	(≈ 8%)	27,738
Total Construction		\$ 385,488
TOTAL ACQUISITION AND CONSTRUCTION		\$ 975,488
GENERAL DEVELOPMENT COSTS (Soft Costs)		
Architect/Engineer		\$ 20,000
Survey		\$ 2,000
Building Permits		\$ 6,700
Legal		\$ 3,500
Title and Recording		\$ 2,500
Real Estate Taxes		\$ 5,500
Liability Insurance		\$ 4,000
Builder's Risk insurance		\$ 3,500
Appraisal		\$ 600
Loan Interest		\$ 20,000
Pre-development		
Relocation		
Total General Development		\$ 68,300
Soft Cost Contingency	10%	\$ 6,830
Subtotal: Gen. Dev.		\$ 75,130
Subtotal:Acquis.,Const., and Gen. Development		
		\$ 1,050,618
>Developer Overhead/Fee	8%	\$ 83,411
Fund Replacement Reserve		\$ 10,000
TOTAL DEVELOPMENT COSTS		\$ 1,144,029
FUNDING SOURCES:		
City of Newton - CDBG/HOME		\$ 485,000
CPA GRANT		\$ 584,029
Charlesbank Homes		\$ 60,000
Fundraising Eliot Church/CAN-DO		\$ 15,000
TOTAL SOURCES		\$ 1,144,029

Originally submitted 10.12.2014

Revised 11.04.2014

Revised 12.15.2014

Taft Avenue 10 Year Operating Budget

			2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Annual increase: income			0.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Annual increase: costs			0.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
INCOME:	MONTHLY	ANNUAL										
2 BR LOW HOME	\$ 948.00	\$ 11,376	(+ \$153/mo. utilities = \$1101 LOW HOME rent)									
3 BR 70% Rent	\$ 1,572.00	\$ 18,864	(+ \$203/mo. utilities = \$1775 70% rent)									
		\$ 30,240										
Vacancy rate - 05%		\$ 1,512										
ANNUAL INCOME		\$ 28,728	\$ 28,728	\$ 29,303	\$ 29,889	\$ 30,486	\$ 31,096	\$ 31,718	\$ 32,352	\$ 32,999	\$ 33,659	\$ 34,333
EXPENSES												
Administrative:												
Mgmt Fee @ 5% of income		\$ 1,436										
Legal		\$ 300										
Audit		\$ 500										
TOTAL ADMINISTRATIVE		\$ 2,236	\$ 2,236	\$ 2,303	\$ 2,373	\$ 2,444	\$ 2,517	\$ 2,593	\$ 2,670	\$ 2,750	\$ 2,833	\$ 2,918
Maintenance:												
Extermination		\$ 500										
Landscaping/Snow Removal		\$ 1,500										
Decorating/Repairs		\$ 2,000										
TOTAL MAINTENANCE		\$ 4,000	\$ 4,000	\$ 4,120	\$ 4,244	\$ 4,371	\$ 4,502	\$ 4,637	\$ 4,776	\$ 4,919	\$ 5,067	\$ 5,219
Utilities:												
Common area electric		\$ 250										
Water/Sewer		\$ 2,500										
TOTAL UTILITIES		\$ 2,750	\$ 2,750	\$ 2,833	\$ 2,917	\$ 3,005	\$ 3,095	\$ 3,188	\$ 3,284	\$ 3,382	\$ 3,484	\$ 3,588
Other costs:												
Insurance		\$ 2,500										
Taxes		\$ 8,500										
Operating Reserve		\$ 2,000										
* Supportive Services		\$ 4,200										
TOTAL OTHER COSTS		\$ 17,200	\$ 17,200	\$ 17,716	\$ 18,247	\$ 18,795	\$ 19,359	\$ 19,940	\$ 20,538	\$ 21,154	\$ 21,788	\$ 22,442
TOTAL OPERATING COSTS		\$ 26,186	\$ 26,186	\$ 26,972	\$ 27,781	\$ 28,615	\$ 29,473	\$ 30,357	\$ 31,268	\$ 32,206	\$ 33,172	\$ 34,167
NET CASH FLOW		\$ 2,542	\$ 2,542	\$ 2,331	\$ 2,107	\$ 1,872	\$ 1,623	\$ 1,361	\$ 1,084	\$ 793	\$ 487	\$ 165
REVISED 12-15-2015												
REVISED 12-31-2015												
REVISED JAN 6 2015												

* NOTE: Supportive services will be offered by a volunteer licensed social worker and a supportive services coordinator who will assess families' needs for assistance. A focus will be on financial management; including credit counseling, budgeting and asset building; and education and employment training. The short and long-term goals will be to help families attain economic self-sufficiency and reduce their reliance on public benefits.

CITY OF NEWTON
IN BOARD OF ALDERMEN
2015

ORDERED:

That, in accordance with the recommendations of the Land Use Committee through its Chairman Marc C. Laredo; and the Finance Committee through its Chairman Leonard J. Gentile, five hundred eighty-four thousand twenty-nine dollars (\$584,029) be appropriated from the Community Preservation Fund as shown below to the Planning and Development Department for a grant to create two units of permanently affordable rental housing at 54 Taft Avenue, West Newton, as detailed in the Community Preservation Committee’s February 2015 funding recommendation to the Board of Aldermen and the January 2015 Taft Avenue proposal to the Community Preservation Committee.

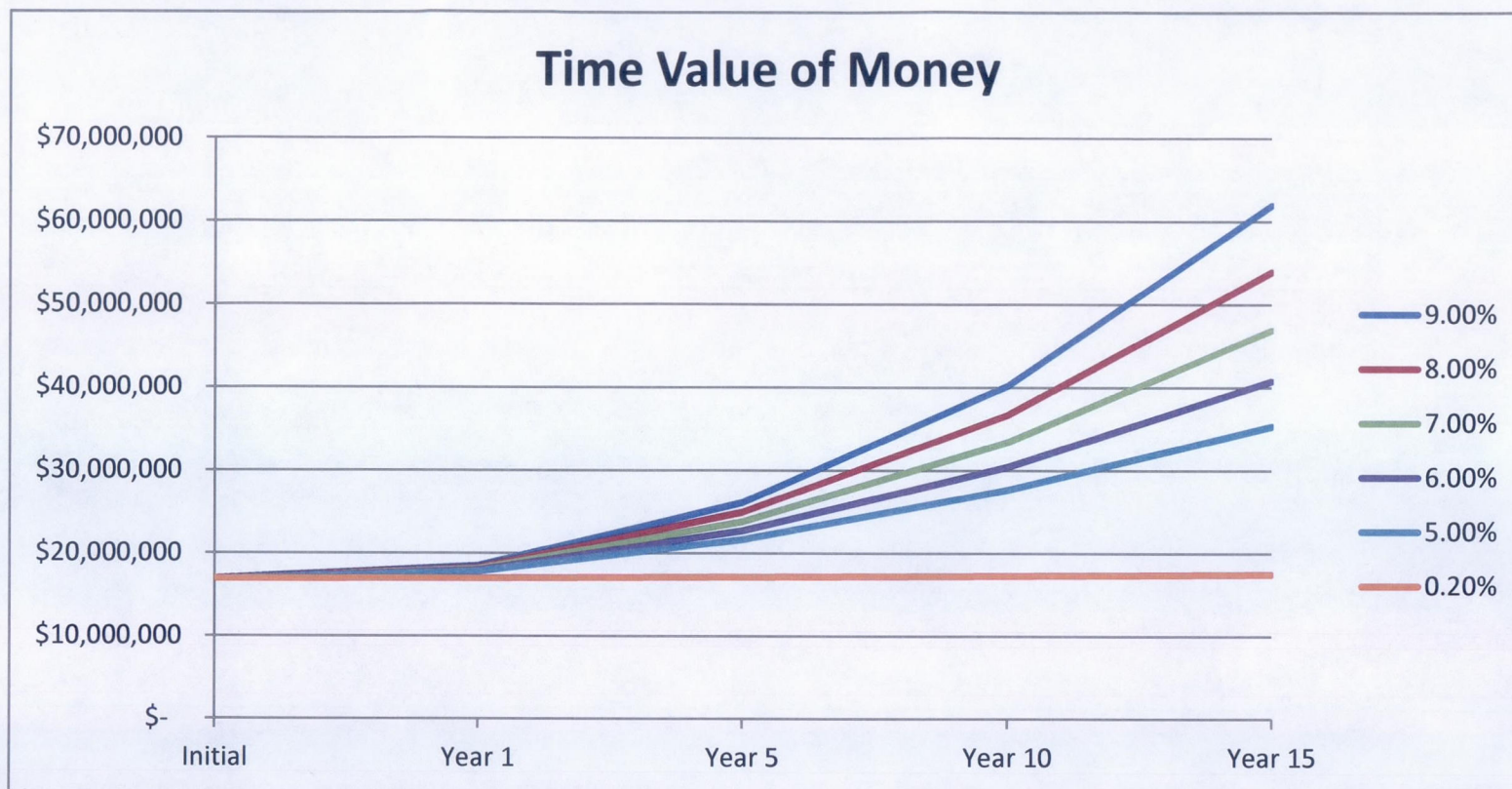
From: CPA Fund Balance	
(21-3321).....	\$149,794.31
CPA Community Housing Reserve	
(21R10498 – 5790C).....	\$422,807.00
CPA Housing Fund Balance	
(21-3321C)	\$11,427.69
To: Taft Avenue Housing	
(21-C11421-5797).....	\$584,029

Under Suspension of Rules
Readings Waived and Adopted

(SGD) DAVID A. OLSON
City Clerk

(SGD) SETTID. WARREN
Mayor

Date _____



Rate	Initial	Year 1	Year 5	Year 10	Year 15
9.00%	\$ 17,000,000	\$ 18,530,000	\$ 26,156,607	\$ 40,245,182	\$ 61,922,202
8.00%	\$ 17,000,000	\$ 18,360,000	\$ 24,978,577	\$ 36,701,725	\$ 53,926,875
7.00%	\$ 17,000,000	\$ 18,190,000	\$ 23,843,379	\$ 33,441,573	\$ 46,903,536
6.00%	\$ 17,000,000	\$ 18,020,000	\$ 22,749,835	\$ 30,444,411	\$ 40,741,489
5.00%	\$ 17,000,000	\$ 17,850,000	\$ 21,696,787	\$ 27,691,209	\$ 35,341,779
0.20%	\$ 17,000,000	\$ 17,034,000	\$ 17,170,681	\$ 17,343,076	\$ 17,517,202
5% - 0.2%	\$ -	\$ 816,000	\$ 4,526,105	\$ 10,348,132	\$ 17,824,577
7% - 0.2%	\$ -	\$ 1,156,000	\$ 6,672,698	\$ 16,098,497	\$ 29,386,334

• Chapter 12: Procuring Banking Services

Responsibilities of and Functions Carried Out by the Treasurer

Following is a brief description of the various treasurers' responsibilities, intended as an overview and introduction.

The treasurer must take custody of all monies belonging to the city or town and must scrupulously account for those monies. (41:35) In this accounting, the treasurer must utilize and maintain a cash book, containing a breakdown of all receipts, disbursements, and cash balances.

The treasurer must determine the cash needs of a municipality and ensure that sufficient liquid assets are available to pay current obligations. All money not

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Duties and Responsibilities of the Treasurer

required to be kept liquid for purposes of distribution must be invested by the treasurer in such a manner as to require the payment of interest on the money at the highest possible rate reasonably available, taking account of safety, liquidity and yield. (44:55B)

§ 55B. Investment of public funds

All moneys held in the name of a city, town, district or regional school district or any other account under the jurisdiction of a city, town, district, or regional school district or officer thereof, which are not required to be kept liquid for purposes of distribution, shall be invested in such a manner as to require the payment of interest on the money at the highest possible rate reasonably available, taking account of safety liquidity and yield. All officers of a city, town district or regional school district who control the investment of such funds shall invest them prudently, consistent with the provisions of sections fifty-four and fifty-five and, if the funds are the result of gift or grant or bequest, the terms of such gift or grant or bequest, so as to accrue the highest amount of interest reasonably available on such funds taking account of safety, liquidity and yield. The provisions of section sixty-two shall not apply to this section. Added by St.1985, c. 740, § 2.

**PART I** ADMINISTRATION OF THE GOVERNMENT**TITLE VII** CITIES, TOWNS AND DISTRICTS**CHAPTER 44** MUNICIPAL FINANCE**Section 55B** Investment of public funds

Section 55B. All moneys held in the name of a city, town, district or regional school district or any other account under the jurisdiction of a city, town, district, or regional school district or officer thereof, which are not required to be kept liquid for purposes of distribution, shall be invested in such a manner as to require the payment of interest on the money at the highest possible rate reasonably available, taking account of safety liquidity and yield. All officers of a city, town district or regional school district who control the investment of such funds shall invest them prudently, consistent with the provisions of sections fifty-four and fifty-five and, if the funds are the result of gift or grant or bequest, the terms of such gift or grant or bequest, so as to accrue the highest amount of interest reasonably available on such funds taking account of safety, liquidity and yield. The provisions of section sixty-two shall not apply to this section.

CITY OF NEWTON
IN BOARD OF ALDERMEN

2015

ORDERED:

That, in accordance with the recommendation of the Finance Committees through its Chairman Leonard J. Gentile, the sum of eleven thousand five hundred fifty dollars (\$11,550) be and is hereby appropriated from the Energy Capital Stabilization Fund for the for the purpose of hiring an energy solar consultant to assist the City in developing solar projects on the Rumford Avenue Landfill site other city owned sites.

FROM:	CSF – Energy Conservation (39G104-5901).....\$11,550
TO:	Public Buildings Expenses (0111501-5301).....\$11,550

Under Suspension of Rules
Readings Waived and Approved

(SGD) DAVID A. OLSON
City Clerk

(SGD) SETTI D. WARREN
Mayor

Date: _____



PUBLIC BUILDINGS DEPARTMENT

Josh Morse, Interim Building Commissioner

Telephone (617) 796-1600

FAX (617) 796-1601

TTY: (617) 796-1608

52 ELLIOT STREET

NEWTON HIGHLANDS, MA 02461-1605

Setti D. Warren

Mayor

March 20, 2015

Chairman of Finance
Newton City Hall
1000 Commonwealth Avenue
Newton Centre, MA 02459

RE: City Hall- War Memorial Elevator

Dear Alderman Gentile:

Please see the attached budget information for the new elevator and accessibility improvements at the War Memorial at City Hall.

Sincerely,

Josh Morse
Public Buildings Commissioner

cc: Maureen Lemieux, Chief Financial Officer
Alex Valcarce, Program Director
Dori Zaleznik, Chief Admin Officer

CITY HALL / WAR MEMORIAL ACCESSIBILITY

Comments

Including Access, Elevator, Toilets, Lift & Finishes

Action Item	Estimated Project Budget	
A&E/Soft Costs:		
Field Work	\$ 3,000	
Schematic Design	\$ 4,200	
Design Development	\$ 5,300	
Public Presentations	\$ 6,000	
Construction Docs.	\$ 27,400	
Bidding	\$ 2,300	
Construction Admin.	\$ 15,500	
Geotech Engineer	\$ 10,000	
Other Consultant	\$ 10,000	
Testing & Inspection	\$ 10,000	
Moving	\$ 25,000	
A&E/Soft Costs Total:	\$ 118,700	
GC Management Costs		
General Conditions	\$ 71,600	
Bonds & Insurance	\$ 15,079	
Fee	\$ 62,985	
GC Management Total:	\$ 149,664	
Construction Costs		
Handicap Ramp	\$ 85,000	
Accessible Elevator	\$ 485,500	
Access Toilet Constr.	\$ 100,500	
Sitework	\$ 45,000	
Hazardous Materials	\$ 10,000	
Misc. & Lift Constr.	\$ 42,000	
Construction Total	\$ 768,000	
Sub Total	\$ 1,036,364	
Project Contingency 10%	\$ 103,636	
Total Project cost:	\$ 1,140,000	

Funding Source:

City of Newton
CDBG

\$1,000,000
\$140,000

CITY OF NEWTON
IN BOARD OF ALDERMEN

2015

ORDERED:

That for the purposes of paying costs of the installation of an elevator in the War Memorial Newton City, and for the payment of all other costs incidental and related thereto, there is hereby appropriated the sum of one million dollars (\$1,000,000), which amount shall be borrowed under and pursuant to Chapter 44, Section 7(3A) of the General Laws), or pursuant to any other enabling authority.

Under Suspension of Rules
Readings Waived and Approved

(SGD) DAVID A. OLSON
City Clerk

(SGD) SETTI D. WARREN
Mayor

COMPTROLLER'S OFFICE
 DATE: 03/31/2015
 TIME: 10:09:19

CITY OF NEWTON, MASSACHUSETTS
 EXPENDITURE STATUS REPORT

PAGE NUMBER: 1
 EXPSTA11

SELECTION CRITERIA: expledgr.key_orgn='0140110'
 ACCOUNTING PERIOD: 9/15

SORTED BY: 1ST SUBTOTAL,ACCOUNT
 TOTALED ON: 1ST SUBTOTAL
 PAGE BREAKS ON:

1ST SUBTOTAL-51 PERSONAL SERVICES

ACCOUNT	TITLE	BUDGET	PERIOD EXPENDITURES	ENCUMBRANCES OUTSTANDING	YEAR TO DATE EXP	AVAILABLE BALANCE	YTD/ BUD
511001	FULL TIME SALARIES	22,858.20	.00	.00	5,606.33	17,251.87	24.53
511002	FULL TIME WAGES	67,793.17	5,641.62	.00	67,793.17	.00	100.00
513001	REGULAR OVERTIME	1,749,066.07	330,275.40	.00	1,147,229.24	601,836.83	65.59
513001A	REG OVERTIME-BLDG/SCHLS	135,154.36	70,001.84	.00	135,154.36	.00	100.00
513004	WORK BY OTHER DEPTS.	40,206.34	33,041.17	.00	40,206.34	.00	100.00
514311	SNOW STAND-BY PAY	187,914.27	69,642.52	.00	187,913.52	.75	100.00
514318	SNOW WATCH PAY	20,000.00	2,207.63	.00	13,511.55	6,488.45	67.56
514321	PROMPTNESS PAY STIPEND	1,218.59	415.51	.00	1,218.59	.00	100.00
TOTAL PERSONAL SERVICES		2,224,211.00	511,225.69	.00	1,598,633.10	625,577.90	71.87

1ST SUBTOTAL-52 EXPENSES

52403	MOTOR VEHICLE R-M	32,773.76	4,095.87	27,082.91	5,690.85	.00	100.00
52410	SOFTWARE MAINTENANCE	52,900.00	18,410.20	82.35	52,817.65	.00	100.00
5273	RENTAL - VEHICLES	2,552,298.38	2,217,672.25	3,000.00	2,479,827.25	69,471.13	97.28
5273A	RENTAL-VEH BLDG/SCHLS	826,822.50	181,907.50	2,287.50	824,535.00	.00	100.00
5386	WEATHER FORECAST SVS	1,700.00	.00	.00	1,495.00	205.00	87.94
5460	GROUNDS MAINT SUPPLIES	3,139.53	1,333.00	.00	3,139.53	.00	100.00
5481	DIESEL FUEL	29,164.82	29,164.82	.00	29,164.82	.00	100.00
5484	VEHICLE REPAIR PARTS	134,109.66	40,274.31	20,425.03	113,684.23	.40	100.00
5532	SAND & SALT	1,133,549.35	281,540.39	.00	1,133,548.77	.58	100.00
5712	REFRESHMENTS/MEALS	4,331.00	84.57	.00	4,330.93	.07	100.00
5783	PRIVATE PROPERTY DAMAGE	5,000.00	.00	.00	.00	5,000.00	.00
R52409	R&M PUBLIC PROPERTY	12,380.25	.00	.00	12,380.25	.00	100.00
R52410	SOFTWARE MAINTENANCE	32,916.67	.00	.04	32,916.63	.00	100.00
R5484	REPAIR PARTS	450.76	.00	450.76	.00	.00	100.00
TOTAL EXPENSES		4,821,536.68	2,774,482.91	53,328.59	4,693,530.91	74,677.18	98.45

1ST SUBTOTAL-57 FRINGE BENEFITS

57MEDA	MEDICARE PAYROLL TAX	18,648.37	5,843.86	.00	17,425.80	1,222.57	93.44
57OPEB	OPEB CONTRIBUTION	28.96	28.96	.00	28.96	.00	100.00
TOTAL FRINGE BENEFITS		18,677.33	5,872.82	.00	17,454.76	1,222.57	93.45

1ST SUBTOTAL-58 DEBT AND CAPITAL

58502	CONSTRUCTION EQUIPMENT	325,000.00	319,360.00	.00	319,360.00	5,640.00	98.26
TOTAL DEBT AND CAPITAL		325,000.00	319,360.00	.00	319,360.00	5,640.00	98.26

TOTAL REPORT	7,389,425.01	3,610,941.42	53,328.59	6,628,978.77	707,117.65	90.43
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Financial Audit Advisory Committee

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2014 Annual Report

December 9, 2014

In December 2010, the Board of Aldermen established a Financial Audit Advisory Committee and it met for the first time in March 2012. The purpose of the Committee is to assist the Comptroller and the Board's Finance Committee in the review of audit and fiscal accountability matters. One of its duties is to report annually confirming that its responsibilities have been carried out.

The Committee consists of nine members. In 2014, its membership consisted of the Finance Committee chair (Lenny Gentile) as well as three other Aldermen appointed by the President of the Board of Aldermen (Ruthanne Fuller, Vicki Danberg, and Scott Lennon). The President of the Board of Aldermen, with input from the Board, appoints four citizens of the City with financial expertise (Gail Deegan, Bob Fox, Howard Merkowitz, and Tony Logalbo). The President of the Board of Aldermen, upon the recommendation of the Chair of the School Committee, also appoints one School Committee member (Margaret Albright). The President of the Board, in consultation with the Finance Committee Chair, appoints the Chair of this Financial Audit Advisory Committee from among the members of the Board of Aldermen on the Committee (Ruthanne Fuller).

In calendar year 2014, the Committee met five times. In these meetings, the Committee concentrated on:

- Interviewing three firms and making a recommendation for the external audit firm.
- Reviewing and updating policies for affiliated and discretely presented component units of the City.
- Meeting with the external auditor three times to develop the scope of the audit, get a status update and review the audit.
- Discussing with departments and the Administration findings from the 2013 audit.
- Meeting jointly with officials from the Pension Reserves Investment Management Board (PRIM), the City's pension actuary and the external auditor accounting firm to plan for the implementation of Governmental Accounting Standards Board (GASB) Statement 68. GASB 68 requires the City to include all of its unfunded pension liabilities in the City's Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2015.

In addition, the following sub-committees met:

(1) Accounting and Audit Sub-Committee (Committee Chair: Gail Deegan; Committee Members: Howard Merkowitz, Vicky Danberg, Ruthanne Fuller (ex officio)): This sub-committee met once. It reviewed responses by City personnel to specific concerns in the Auditor's Management letter (student activity funds, police details, the disaster recovery plan, and reconciliation of departmental account receivables). Significant progress was made in all areas.

(2) Risk Assessment, Monitoring and Compliance Sub-Committee (Committee Chair: Bob Fox; Members: Gail Deegan, Tony Logalbo, and Ruthanne Fuller (ex officio)). This sub-committee met four times in 2014. The sub-committee focused on two issues. The primary focus was on a risk assessment policy for cash receipts. Most cash collection takes place in the Treasurer's Office, which has well developed and implemented controls in place. The Inspectional Services Department, Police Department and School Department collect the largest amounts of cash or checks outside of the Treasury. The external auditor reviewed the Police Department controls last year and is reviewing the Inspectional Service Department this year. The external auditor reviews entities from the School Department each year. School Department Director of Finance Sue Dzikowski also reviewed with the Sub-Committee procedures for student activity accounts (the highest risk area), Tiger Loft and Food Services. The Sub-Committee feels comfortable that the School Department has procedures and policies in place for cash/check handling and knows how to use them. The Mayor has created a working group for cash collection and custody and an additional working group for electronic payments. At the appropriate time, Chief of Staff Maureen Lemieux will brief the sub-committee on the work of the two working groups.

The second focus of this Sub-Committee was on developing a multi-year plan for an overall risk assessment and monitoring effort. The group agreed that the most important aspect is cash receipts risk assessment and monitoring. Additional areas should also be reviewed. After discussing such areas as asset misappropriation, compliance, internal audit, financial statement, fraud, security and information technology, the sub-committee asked Chief of Staff and Comptroller David Wilkinson to think about what the City should focus on after cash receipts and to consider if there are departments that the Administration is not satisfied with the level of controls, processes and scrutiny.

In closing, I would like to thank all members of the Committee for their time and insight. The expertise of our citizen members – Gail Deegan, Bob Fox, Tony Logalbo and Howard Merkwitz – has been invaluable. Quite a few staff members have invested considerable time in reviewing and improving the City's internal policies and procedures. Our work went more smoothly and improved substantively from the wise counsel of Sue Dzikowski, David Wilkinson, and Shawna Sullivan.

Respectfully submitted,

Alderman Ruthanne Fuller, Chair
Financial Audit Advisory Committee