

CITY OF NEWTON

IN BOARD OF ALDERMEN

FINANCE COMMITTEE REPORT

MONDAY, FEBRUARY 25, 2013

Present: Ald. Gentile (Chairman), Ciccone, Linsky, Salvucci, Rice, Blazar, Fuller, and Lappin
Also present: John MacGillivray (Veterans Agent), David Turocy (Commissioner of Public Works), Anne Marie Belrose (Community Development Manager), Reiko Hayashi (Housing Planner; Planning Department) Trisha Guditz (Housing Programs Manager), Rob Muollo (Housing Planner), Dori Zaleznik (Commissioner of Health and Human Services), Maureen Lemieux (Chief Financial Officer), and David Wilkinson (Comptroller)

Re-appointment by His Honor the Mayor

#72-13 EDWARD GOURDEAU, 94 Clearwater Road, Newton Lower Falls, re-appointed as a Constable for the City of Newton for a term of office to expire January 28, 2016. (60 days 4-20-13) [02/04/13 @ 3:55 PM]

ACTION: **APPROVED 7-0 (Blazar not voting)**

NOTE: Newton Fire Fighter Edward Gourdeau is being re-appointed as a Constable of the City for a fifth three-year term. The appropriate paperwork has been filed with the Clerk's office, including a copy of the required \$5,000 bond. Mr. Gourdeau called the Chairman prior to the meeting to explain that he had a prior commitment but could attend the meeting if it was necessary. The Chairman did not feel it was necessary for Mr. Gourdeau to be present for the meeting as he is a re-appointment and well known to most Committee members. Ald. Salvucci moved approval of the re-appointment, which carried unanimously.

REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES

#73-13 HIS HONOR THE MAYOR requesting an appropriation in the amount of one hundred twenty-five thousand dollars (\$125,000) from Free Cash for the purpose of supplementing the Veterans' Benefits Account. [[02/11/13 @ 5:14 PM]

PROG & SERV APPROVED 5-0-1 (Linsky abstaining) on 02/20/13

ACTION: **APPROVED 8-0**

NOTE: Veterans' Agent John MacGillivray reviewed the request for an appropriation of \$125,000 from Free Cash to supplement the veterans' benefits account. There has been an increase in veterans' benefits disbursed over the past three years as Mr. MacGillivray and the Mayor have made a significant effort to reach out to veterans. Since last fiscal year, there has been an increase in the number of families and changes in the type of aid that is being provided. This appropriation should provide enough funding for the rest of the fiscal year. Mr. MacGillivray added that the City receives a reimbursement from the State for 75% of the payments to veterans for benefits at the end of the year. The reimbursement from the State enters the City's general fund.

Chief Financial Officer Maureen Lemieux provided the attached analysis of the Veterans' Benefits Account. The Administration has increased the budget line item each fiscal year since 2011 in an effort to budget the actual amount needed. The Fiscal Year 2014 budget will be \$200,000 for veterans' benefits. Although, this fiscal year's expenditure is \$325,000 that number should decrease next year as the number of veterans living in Newton is declining. The Programs & Services Committee could look at increasing the line item further during upcoming budget discussions.

Ald. Lappin moved approval of the item, which carried unanimously.

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

#75-13 **HIS HONOR THE MAYOR** requesting authorization to transfer the sum of seven hundred fifty thousand dollars (\$750,000) from the Snow/Ice Budget Reserve and the sum of three hundred thousand dollars (\$300,000) from the Inclement Weather Reserve to the Department of Public Works Snow/Ice Control Rental Vehicles Account. [02/11/13 @ 5:14 PM]

PUBLIC FACILITIES APPROVED AS AMENDED 6-0 (Crossley, Laredo not voting) on 02/20/13

ACTION: APPROVED AS AMENDED 8-0

NOTE: Commissioner of Public Works David Turocy presented the request for a transfer of \$750,000 from the Snow and Ice Budget Reserve and a transfer of \$300,000 from the Inclement Weather Fund to the Public Works Department's Snow and Ice Control Account. The Mayor submitted the attached letter requesting that the item be amended by increasing the transfer from the Snow and Ice Budget Reserve to \$1 million instead of \$750,000.

The Public Works Department has expended \$2.9 million on snow and ice control this winter. With the requested transfer, the Public Works Department budget would be made whole and there would be \$200,000 remaining in reserve. Chief Financial Officer Maureen Lemieux added that the Mayor would be docketing a request for an additional \$250,000 for snow and ice control from Free Cash for the next Board of Aldermen meeting.

There was some concern that the Inclement Weather Fund was being drawn down to \$500,000. Ms. Lemieux explained that the City is expecting a reimbursement from the Massachusetts Emergency Management Agency for the snowstorm of February 9, 2013, which would be used to replenish the Inclement Weather Fund. Ms. Lemieux's goal is to have \$1 million in the Inclement Weather Fund.

The use of Newton Centre Playground as a snow storage site for snow removal operations in Newton Centre Village generated a number of complaints to Aldermen from citizens. There was concern that significant damage was done to the park because of the trucks crossing the grass to dump the snow. The department's budget includes funding to restore the playground. The use of the site for snow storage will be part of the discussion on the yearly list of snow storage sites that occurs each fall in the Public Facilities Committee.

Ald. Salvucci moved approval as amended to increase the transfer from Snow/Ice Budget Reserve to \$1 million, which carried unanimously.

#39-13 HIS HONOR THE MAYOR requesting authorization to increase the previously authorized expenditure (Budget Board Order #383-11(2)) by a sum of fifty-six thousand twenty-four dollars (\$56,024) from the FY12 Housing and Urban Development (HUD) Emergency Solutions Grant for homelessness prevention.
[01/16/13 @ 8:58 AM]

ACTION: **APPROVED 8-0**

NOTE: Community Development Manager Anne Marie Belrose explained that the City received grant funds from the United States Department of Housing and Urban Development to be used for homelessness prevention in Fiscal Year 2012 in two allocations. The first allocation was included in the budget board order for Fiscal Year 2012. The second unexpected allocation of \$56,024 was received in August of 2012 and was not included in the budget board order. In order for the City's Comptroller to release the second allocation for expenditure the Board of Aldermen must increase the previously authorized expenditure of the grant to include the \$56,024.

The Planning & Development Department will be responsible for meeting all of the federal guidelines and reporting requirements associated with the grant including all necessary paperwork. It will be holding the contracted service provider to all the standards of the grant requirements. The Committee members emphasized the importance of meeting all the financial reporting requirements, as inaccurate reporting impacts the City's external annual audit. With that, Ald. Ciccone moved approval of the authorization, which carried unanimously.

REFERRED TO ZONING & PLANNING AND FINANCE COMMITTEES

#316-12(2) COMMUNITY PRESERVATION COMMITTEE recommending the
(#55-13) appropriation of four hundred seventy-five thousand dollars (\$475,000) to the Planning and Development Department to continue the Newton Homebuyer Assistance Program as described in the proposal amended in December 2012.
[01/25/13 @ 12:33 PM]

ZONING & PLANNING APPROVED 6-0 ON 02/11/13

ACTION: **HELD 8-0**

NOTE: Housing Planner Reiko Hayashi presented the request for funding from the Community Preservation Fund for the Newton Homebuyer Assistance Program. The program goal is to assist first-time homebuyers with low to moderate income looking to purchase a home in Newton by providing a subsidy based on household size. When property is purchased using this program, the property becomes affordable in perpetuity. When the property is resold, it must be sold to an income eligible buyer. In order to qualify for the program the homebuyer must have an annual income below 80 % of the regional median. The approval of the funds will allow the program to assist three homebuyers. Ms. Hayashi provided the attached summary of the Homebuyer Assistance Program, which included how the funds would be used.

There have been recent modifications to program to address the increase in housing prices and the decrease in income. The maximum subsidy of \$115,000 for all size households has been increased to \$150,000 for a 3-bedroom or larger household, \$125,000 for a 2-bedroom household.

There were number of program participants and community groups who provided letters of support, which were attached to the agenda. Francisco Dos Ramos attended the meeting and stated that he is an applicant to the program and is supportive of the program.

Qualified program participants must be first time homebuyers, have pre-approval for a 30-year fixed rate mortgage, meet federal income guidelines, find a property, and their monthly housing costs must be at or below 33% of the monthly household income. A minimum down payment of 5% of the purchase price is expected. Qualified participants can have up to \$75,000 in liquid assets, which includes retirement savings. The asset limit was established after comparing the asset limit in other communities.

Committee members were concerned that the asset limit seemed high and would like justification for the asset limit. Many first time buyers do not meet the program eligibility requirements and do not have \$75,000 in liquid assets. It seems like a large cushion if those assets are not retirement savings. The Committee asked if it were possible to exclude retirement funds from the asset limit and lower the asset limit. Ald. Ciccone moved to hold the item until the requested information is received, which the Committee supported unanimously.

#40-13 DIRECTOR OF PLANNING requesting amendment to City of Newton Ordinances Chapter 26-30. **Licenses for café furniture on sidewalks.** by deleting the licensing fee from 26-30(c) and approving a new license fee structure in Chapter 12 by replacing the current annual café furniture license fee of \$25 with a fee of \$100 for the initial application and a \$50 annual fee for renewal and giving the Health and Human Services Department the authority to collect the fees.
[01/16/13 @ 3:44 PM]

ACTION: **APPROVED 8-0**

NOTE: Commissioner of Health and Human Services Dori Zaleznik presented the proposed ordinance amendment, which would change the fee structure for licenses for café furniture on sidewalks and give the Health and Human Services Department the authority to collect the fees for the licenses. The proposed fee structure would be a fee of \$100 for the initial application and a \$50 annual renewal fee. The Zoning and Planning Committee is currently discussing a proposed ordinance to streamline the annual licensing process for café furniture, which would be administered through the Health and Human Services Department instead of the Department of Public Works.

Director Planning and Development Candace Havens submitted the attached request for an amendment to the docket item to establish a fine for failure to comply with the proposed sidewalk ordinance. The Committee would like a recommendation from the Zoning and Planning Committee on the amount of the fine before approving an ordinance amendment for a fine. The Committee decided to docket an item requesting an amendment to establish the fine.

The Committee voted unanimously in favor of a motion to approve the docket item without the proposed amendment to establish a fine.

#317-12 HIS HONOR THE MAYOR submitting the FY14 - FY18 Five-Year Financial Forecast for Board of Aldermen review/acceptance. [10/09/12 @ 2:38 PM]

ACTION: **APPROVED 8-0**

NOTE: Chief Financial Officer Maureen Lemieux stated that the FY14 - FY18 Five-Year Financial Forecast was received by the Board of Aldermen in October 2012. On October 15, 2012, the Executive Department provided the Board with a presentation of the forecast. Nothing in the financial forecast has changed. The forecast will not be changed whether the overrides pass or fail. The Chair pointed out that the Committee could ask for the impact of a failed override on the forecast should one or more of the overrides fail. With that, Ald. Salvucci moved approval of the acceptance of the forecast, which carried unanimously.

Respectfully submitted,

Leonard J. Gentile, Chairman

City of Newton, Massachusetts
Analysis of Veterans' Benefits
25-Feb-13

mll

| <u>Fiscal</u> <u>Year</u> | | <u>Original</u> <u>Budget</u> | | <u>YTD</u> <u>31-Mar</u> | | <u>Next Year's</u> <u>Budget</u> | | <u>Actuals</u> |
|------------------------------|----|----------------------------------|----|-----------------------------|----|-------------------------------------|----|----------------|
| 2011 | \$ | 30,000 | \$ | 80,257 | \$ | 100,000 | \$ | 100,181 |
| 2012 | \$ | 100,000 | \$ | 109,443 | \$ | 150,000 | \$ | 154,127 |
| 2013 | \$ | 150,000 | \$ | 175,000 | \$ | 200,000 | | ?? |
| 2014 | \$ | 200,000 | | | | | | |



City of Newton, Massachusetts
Office of the Mayor

#75-13

Telephone
(617) 796-1100

Facsimile
(617) 796-1113

TDD/TTY
(617) 796-1089

E-mail
swarren@newtonma.gov

SETTI D. WARREN
MAYOR

February 20, 2013

Honorable Board of Aldermen
Newton City Hall
1000 Commonwealth Avenue
Newton Centre, MA 02459

Ladies and Gentlemen:

I write to request that your Honorable Board amend Docket #75-13 *HIS HONOR THE MAYOR* requesting authorization to transfer the sum of seven hundred fifty thousand dollars (\$750,000) from the Snow/Ice Budget Reserve and the sum of three hundred thousand dollars (\$300,000) from the Inclement Weather Reserve to the Department of Public Works Snow/Ice Control Rental Vehicles Account. [02/11/13 @ 5:14 PM] by replacing the request for the sum of \$750,000 from the Snow/Ice Budget Reserve with a request for the sum of \$1,000,000 from the Snow/Ice Budget Reserve. The Department of Public Works spent approximately \$1.6 million on the Blizzard of 2013, and an additional \$200K + this past weekend on snow removal. As you know, snow is once again in the forecast for this weekend.

This action will deplete the Snow/Ice Reserve carried in the Comptroller's Budget. However, \$2 million remains in Free Cash and \$500 K in the Inclement Weather Reserve should the City need additional funding.

Thank you for your consideration of this matter.

Sincerely,

Setti D. Warren
Mayor

RECEIVED
Newton City Clerk
2013 FEB 20 PM 2:32
David A. Olson, CMC
Newton, MA 02459

1000 Commonwealth Avenue Newton, Massachusetts 02459

www.newtonma.gov



DEDICATED TO COMMUNITY EXCELLENCE

Public Works Department
FY13 Snow and Ice Projected Spending for 2/8/2013 - 2/9/2013 s

| Based on 24.8" and 40 hours' duration | | D |
|---------------------------------------|--|--|
| 0140110 | DESCRIPTION | EXPENDED, ENCUMBERED AND TO BE PROCESSED |
| 511001 | SALARY WAGES | 0 |
| 513001 | REGULAR OVERTIME | 372,759 |
| 513001A | REGULAR OVERTIME - BUILDINGS/SCHOOLS | 10,000 |
| 513004 | WORK BY OTHER DEPARTMENTS - OVERTIME | 19,200 |
| 514311 | DRIVING BONUS/STAND-BY SNOW PAY | 31,008 |
| 514318 | SNOW WATCH PAY | 7,000 |
| 514321 | PROMPTNESS PAY STIPEND | 0 |
| 5273 | RENTAL: VEHICLE & EQUIPMENT | 772,937 |
| 5273A | RENTAL: VEHICLE & EQUIPMENT BUILDINGS/SCHOOLS | 180,000 |
| 5386 | WEATHER FORECAST SERVICE | 0 |
| 5480 | GASOLINE | 8,935 |
| 5481 | DIESEL FUEL | 11,633 |
| 5484 | VEHICLE REPAIR PARTS | 15,153 |
| 5532 | SAND AND SALT | 166,852 |
| 5712 | MEALS | 1,500 |
| 5783 | PRIVATE PROPERTY DAMAGE | 0 |
| 57MEDA | MEDICARE PAYROLL TAX | 6,814 |
| TOTALS | | \$1,603,790 |



Setti D. Warren
Mayor

City of Newton, Massachusetts
Department of Planning and Development
1000 Commonwealth Avenue Newton, Massachusetts 02459

#55-13
Telephone
(617) 796-1120
Telefax
(617) 796-1142
TDD/TTY
(617) 796-1089
www.newtonma.gov

Candace Havens
Director

NEWTON HOMEBUYER PROPOSAL:

REQUEST FOR \$475,000 to Recapitalize Newton Homebuyer Program

- \$450,000 for Homebuyer Assistance (estimated three households)
- \$15,000 Housing Administration
- \$10,000 Rehabilitation Fund, if required for resale.

Program Changes:

- Increase in the maximum subsidy from \$115,000 to \$150,000 adjusted for household size:
 - \$115,000 maximum for one bedroom household
 - \$125,000 maximum for two bedroom household
 - \$150,000 maximum for three bedroom or larger household
- \$75,000 household asset limit

JUSTIFICATION FOR CHANGES

- Housing prices have increased while incomes have fallen.
- Program is largely serving 1 and 2 person households - subsidy increase will enable 3+ person households to participate and create a more diverse applicant pool.

ELIGIBILITY

Buyer's income must still be at or below 80% of current Area Median Income (AMI)

- 2 person household income cannot exceed \$53,900
- 4 person household income cannot exceed \$67,350

City investment keeps the unit permanently affordable:

| FIRST SALE | | |
|---------------------|------------------|--------------------------------|
| \$13,500.00 | Homebuyer | downpayment |
| \$141,500.00 | Homebuyer | mortgage |
| <u>\$115,000.00</u> | <u>Program</u> | <u>write-down - (subsidy)</u> |
| \$270,000.00 | to seller | full-market sales price |

\$155,000 Total contribution from 1st buyer (price to buyer)

| SECOND SALE | | |
|--|------------------|-------------------------------|
| If area median income increases slightly | | |
| \$7,800.00 | Homebuyer | downpayment |
| <u>\$148,200.00</u> | Homebuyer | <u>mortgage</u> |
| \$156,000.00 | to seller | restricted sales price |

\$156,000 Total received by 1st buyer (who is now the seller)



Setti D. Warren
Mayor

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Department of Planning and Development
1000 Commonwealth Avenue Newton, Massachusetts 02459


Telephone
(617) 796-1120
Telefax
(617) 796-1142
TDD/TTY
(617) 796-1089
www.newtonma.gov

Candace Havens
Director

MEMORANDUM

February 25, 2013

TO: David Olson, Clerk of the Board of Aldermen

FROM: Candace Havens, Director of Planning and Development 

SUBJECT: Amendment to #40-13; Sidewalk Café fees and fines

I respectfully request an amendment to docket #40-13 to establish a fine for failure to comply with the proposed Sidewalk Café Ordinance, in addition to establishing the fees recommended:

#40-13 DIRECTOR OF PLANNING requesting amendment to City of Newton Ordinances Chapter 26-30. **Licenses for café furniture on sidewalks.** by replacing the current annual café furniture license fee of \$25 with a fee of \$100 for the initial application and a \$50 annual fee for renewal and giving the Health and Human Services Department the authority to issue the licenses and collect the fees.