

CITY OF NEWTON

IN BOARD OF ALDERMEN

FINANCE COMMITTEE AGENDA

WEDNESDAY, OCTOBER 16, 2013

7:00 PM
Room 222

ITEMS TO BE DISCUSSED:

REFERRED TO ZONING AND PLANNING AND FINANCE COMMITTEES

- #102-11 ALD. HESS-MAHAN, JOHNSON, COMMISSIONER LOJEK, AND CANDACE HAVENS requesting an amendment to Chapter 17 to establish a fee for filing a notice of condo conversion. [03-29-11 @ 4:55PM]
ZONING & PLANNING APPROVED 6-0 on 6/10/13

REFERRED TO ZONING AND PLANNING AND FINANCE COMMITTEES

- #95-11 ALD. HESS-MAHAN proposing an ordinance requiring that a notice of conversion to condominium ownership be filed with the Inspectional Services Department and that the property be inspected to determine compliance with all applicable provisions of the state and local codes, ordinances and the rules and regulations of all appropriate regulatory agencies. [03-24-11 @ 9:30AM]
ZONING & PLANNING APPROVED 6-0 on 6/10/13
- #41-11(2) ALD. CICCONE requesting implementation of the fees associated with the Winter Overnight Parking Pilot Program. [09/19/13 @ 3:49 PM]
- #327-13 HIS HONOR THE MAYOR requesting acceptance and expenditure of a ten thousand dollar (\$10,000) grant from the Community Health Network Area (CHNA) 18 for the purpose of creating a program to address youth stress. The grant is to be administered through the Health and Human Services Department. [09/30/13 @ 4:10 PM]
- #328-13 HIS HONOR THE MAYOR requesting acceptance and expenditure of a two thousand five hundred dollar (\$2,500) grant from the Massachusetts Clean Energy Center for Solarize Newton Marketing Outreach Services for the purpose of paying a consultant of the Public Buildings Department. [09/30/13 @ 4:10 PM]
- #329-13 HIS HONOR THE MAYOR requesting authorization to transfer the sum of seven thousand four hundred forty-four dollars and ninety-nine cents (\$7,444.99) from Budget Reserve to the Law Department's Judgments and Settlements Account to be used as full and final settlement of a claim for damages filed against the City as a result of property damaged caused by a City of Newton work crew. [09/30/13 @ 4:10 PM]

The location of this meeting is handicap accessible and reasonable accommodations will be provided to persons requiring assistance. If you need a special accommodation, please contact the Newton ADA Coordinator, Joel Reider, at least two days in advance of the meeting: jreider@newtonma.gov . or 617-796-1145. For Telecommunications Relay Service dial 711.

- #15-13 FINANCIAL AUDIT ADVISORY COMMITTEE requesting review and acceptance of the revised City of Newton Investment Policy. [12/18/12 @ 9:31 AM]

ITEMS NOT TO BE DISCUSSED:

REFERRED TO PUBLIC SAFETY/TRANSPORTATION & FINANCE COMMITTEES

- #314-13 NEWTON POLICE DEPARTMENT, proposing that **Sec. 19-336(a). License plates or medallions; fee for same; transfer to new vehicle.** be increased from \$50 to \$100, effective 2014. [09/12/13 @ 11:21 AM]

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

- #288-13 PUBLIC FACILITIES & FINANCE COMMITTEES requesting that the Administration update the Board of Aldermen when a funding source is determined for the Zervas Elementary School Feasibility Study. [07-11-13 @ 10:10 AM]

- #132-13 ALD. HESS-MAHAN & YATES proposing a Resolution to request that the Mayor adopt the provisions of Massachusetts General Laws Chapter 59 Section 5C, which provides for a local property tax exemption of up to 20% of the average assessed value of residential properties, which are the principal residences of taxpayers. [03/13/13 2:29 PM]

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

- #41-13 ALD. CROSSLEY, FULLER AND SALVUCCI requesting a discussion with the administration to review how the city inventories, plans for, budgets and accounts for needed smaller capital expenditures (currently set at under \$75,000), which are excluded from the Capital Improvement Plan (CIP); how to make these non-CIP capital maintenance items visible, and how to integrate them with the overall planning, CIP, and budgeting processes. [01/14/13 @ 5:02 PM]

REFERRED TO PUBLIC SAFETY & TRANS. AND FINANCE COMMITTEES

- #428-12 ALD. CICCONE & FULLER requesting a discussion with the Executive Office and the Police Department regarding police staffing and overtime costs. [12/07/12 @ 1:34 PM]

REFERRED TO ZONING & PLANNING, LAND USE & FINANCE COMMITTEES

- #273-12 ALD. CROSSLEY & HESS-MAHAN requesting a restructuring and increase in fees for permits charged by the Inspectional Services Department and fees charged by the Planning Department and City Clerk to assure that fees are both sufficient to fund related services provided and simple to administer. [09-10-12 @ 1:17 PM]

REFERRED TO FINANCE AND APPROPRIATE COMMITTEES

- #257-12 RECODIFICATION COMMITTEE recommending (1) review of the Fees, Civil Fines/Non-Criminal Disposition contained in Chapter 17 LICENSING AND PERMITS GENERALLY and Chapter 20 CIVIL FINES/NON-CRIMINAL DISPOSITION CIVIL FINES to ensure they are in accordance with what is being charged and (2) review of the acceptance of G.L. c. 40 §22F, accepted on July 9, 2001, which allows certain municipal boards and officers to fix reasonable fees for

REFERRED TO PROG & SERV, PUB. FAC., ZAP, AND FINANCE COMMITTEES

- #256-12 ALD. HESS-MAHAN, SANGIOLO & SWISTON proposing an ordinance promoting economic development and the mobile food truck industry in the City of Newton. [08/06/12 @4:46 PM]

REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES

- #254-12 ALD. HESS-MAHAN, SANGIOLO, DANBERG, KALIS, CROSSLEY proposing an ordinance relating to plastic bag reduction that would add a fee to single-use plastic and paper bags that are not at least 40% post-consumer recycled content, at certain retail establishments in Newton. [07/18/12 @4:34 PM]
- #248-12 RECODIFICATION COMMITTEE recommending that **ARTICLE IV. PURCHASES AND CONTRACTS, Secs. 2-182 through 2-205**, be amended to make it consistent with state law.
- #247-12 RECODIFICATION COMMITTEE recommending that Chapter 18 MEMORIAL FUNDS AND TRUSTS be reviewed relative to the consequences and practices of special legislation passed by the General Court in 2007, Chapter 75 of the Acts of 2007, in which the City sought and was granted an exemption from G.L. Chapter 44 §54, which intent was to allow the City greater flexibility in terms of investments.

REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES

- #185-12 ALD. BAKER, BLAZAR, SANGIOLO, LINSKY, ALBRIGHT & DANBERG requesting that the Board of Aldermen adopt a RESOLUTION to His Honor the Mayor asking that, when the Mayor seeks future Board approval for bonding the cost of additional capital facilities or equipment for the schools, he include in that funding request, as well as in the city-wide Capital Improvement Plan, the estimated costs needed for funding the capital technology needs of the Newton Schools, including the appropriate portions of the estimated project costs of the School Committee's three-year district-wide technology plan not anticipated to be funded by the Information Technology Department budget; the anticipated technology grants from Boston College for the elementary schools; and/or estimated revenue from the E-rate Technology Reimbursement Program. [06/11/12 @ 11:23 PM]
PROG & SERV APPROVED 6-0 on 07/11/12
- #102-12 HIS HONOR THE MAYOR requesting authorization to appropriate the sum of five hundred thousand dollars (\$500,000) from cable contract receipts for the purpose of constructing Phase I of III to connect all city facilities with high-speed fiber infrastructure for continued reliance on the IT network. [04-09-12 @ 3:40 PM]
HELD 8-0

#140-11 ALD. HESS-MAHAN requesting acceptance of MGL Chapter 59 §5c which allows communities to shift the tax burden away from homeowners who live in lower than average valued single and multi-family homes to owners of higher valued homes, second homes, and most apartment buildings. {04-15-11 @ 3:07 PM]

REFERRED TO LAND USE & FINANCE COMMITTEES

#276-10 ALD. FULLER, CROSSLEY, DANBERG, LINSKY requesting a review of guidelines for mitigation fund provisions to maximize the use of such funds on behalf of the city together with mechanisms by which the city can better track such funds to ensure they are used in a timely fashion.

REFERRED TO FINANCE AND PROGRAMS AND SERVICES COMMITTEES

#245-06 ALD. JOHNSON AND HESS-MAHAN requesting an amendment to the City Charter to require the Mayor annually to prepare and submit to the Board of Aldermen a long-term financial forecast of anticipated revenue, expenditures and the general financial condition of the City, including, but not limited to identification of any factors which will affect the financial condition of the City; projected revenue and expenditure trends; potential sources of new or expanded revenues; anticipated municipal needs likely to require major expenditures; and a strategic plan for meeting anticipated municipal needs, to include, but not be limited to, any long or short-term actions that may be taken to enhance the financial condition of the City.

Respectfully submitted,

Leonard J. Gentile, Chairman



Setti D. Warren
Mayor

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

#95-11 & 102-11


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Candace Havens
Director

WORKING SESSION MEMORANDUM

DATE: June 7, 2013

TO: Alderman Marcia T. Johnson, Chairman
Members of the Zoning and Planning Committee

FROM: Candace Havens, Director of Planning and Development 
James Freas, Chief Planner, Long-Range Planning

RE: #95-11: ALD. HESS-MAHAN proposing an ordinance requiring that a notice of conversion to condominium ownership be filed with the Inspectional Services Department and that the property be inspected to determine compliance with all applicable provisions of the state and local codes, ordinances and the rules and regulations of all appropriate regulatory agencies.

#102-11: ALD. HESS-MAHAN, JOHNSON, COMMISSIONER LOJEK & CANDACE HAVENS requesting an amendment to Chapter 17 to establish a fee for filing a notice of condo conversion.

MEETING DATE: June 10, 2013

CC: Board of Aldermen
Planning and Development Board
Donnalyn Kahn, City Solicitor
John Lojek, Commissioner, Inspectional Services Department

INTRODUCTION

Petition #95-11 and 102-11 propose to create a new regulation requiring a property inspection in conjunction with the conversion of an existing multi-unit residential lot in single ownership (typically a rental property) into condominium ownership in which each unit is individually deeded and owned. The proposed regulation would require notice to the City and a City inspection of the property as part of the conversion process with a fee to help cover the cost of this service. The two petitions were approved by ZAP on June 13, 2011 and referred to the Finance Committee for their consideration of

the proposed fee. The Finance Committee referred both items back to the Zoning and Planning Committee.

BACKGROUND

These two petitions, and a third, #94-11, which was approved by the Committee and adopted by the Board of Aldermen, were originally submitted and considered in the context of a specific issue, that of an accessory apartment in a single-family residential district that had been converted to condominium ownership. Petition #94-11 addressed the definition of an accessory apartment in order to clarify that such an apartment was considered to be a use, subordinate to the primary single-family or two-family use of a given property. The language developed to address this issue is now incorporated into the Newton Zoning Ordinance. The remaining two petitions were referred to the Finance Committee where issues were raised relative to the appropriateness of the proposed regulation.

The question raised by the Finance Committee: What differentiates the sale of a condo unit in the context of a condo conversion from the sale of any other housing unit, whether it is a previously created condo or a single-family home, such that a special notice to the City and an inspection by ISD become necessary? This question relates closely to one of the fundamental issues associated with the proposed regulation and discussed in the Planning Department memo on this item from the June 13, 2011 meeting (Attached); that is the City can regulate land use and the form of development but not ownership. If ownership is outside the purview of the City, it should not matter what type of ownership was in place prior to the sale of a converted condo and therefore, should potentially have no significant difference between such a sale and any other transfer of property in the City requiring special notification and inspection.

ANALYSIS

Many municipalities require property owners converting multi-unit properties to condominium ownership to submit notice and allow for an inspection. There are three primary reasons for such a condo conversion regulation:

1. Legality – As has been discussed previously, the City cannot regulate the ownership of units, only the use. In some cases though, the conversion to condo ownership does constitute a change in use, as in the case of accessory apartments. Even with the clarification previously adopted, there are likely properties in the City where a property owner may seek to convert an accessory unit to condominium ownership where this regulation would allow the City to be notified and correct the action, should an illegal condo conversion have occurred.
2. Safety – An inspection of the property confirms that the new condo units meet current safety code standards, ensuring the safety of residents and allowing for the upgrade of the City's building stock.
3. Data Tracking – Data on condo conversions can be important for tracking the availability of housing types in the City, informing the development of housing policy. Generally, rental

and condo units serve different segments of the housing market and being able to track the conversion of rental units to condos would aid in the City's overall ability to track the availability of rental housing and adjust policies as necessary to ensure a desirable supply.

The Finance Committee's question posed whether a condo conversion is just like any other sale or transfer of property in the City, or whether it is more like development in which there is a transformation of property requiring appropriate review and inspection by the City furthering legitimate public interests. Staff believes there are two primary reasons why condo conversion should be considered more like property development and less like a simple transfer of property ownership. First, unlike any other property transfer, with condo conversion there is a legal question as to whether the change in ownership type also constitutes a change in use, as in the accessory apartment scenario. Second, unlike the transfer of a single unit within a larger condominium property, the condo conversion represents the transfer of the entire building to multiple new owners with legal and physical interdependencies between the units based on a shared structure and commonly-owned areas. Safety issues in one unit or common area element can affect the entire property heightening the importance of a safety inspection at the time of the condo conversion to ensure that all standards are being met. There are many older multi-unit rental properties in the City that may not meet current standards that should be inspected before they are converted to condominium ownership where there will be multiple owners with varying degrees of attention to such health and safety issues within the individual units and shared spaces. Though the building is not new, the act of condo conversion is still a form of development in which a number of residential units will be made available for sale to numerous new owners and where a safety issue within one such unit could have significant ramifications for all other units in the structure. For the same reason as stated above, the existing Revised Ordinances of the City of Newton, Chapter 12, Section 12-1 requires that every time a rental apartment is vacated and whenever an existing building is converted to a condominium, it must be certified by the Commissioner of Health and Human Services before it can be reoccupied. Given this precedent, it would also be appropriate to address safety issues.

PROPOSED TEXT AMENDMENTS

1. Insert the following new Chapter 5, Section 22 into Chapter 5, Buildings, Article II, Inspectional Services Department. This creates a requirement for an inspection for Code compliance after condominium creation with associated fees and penalties.

Chapter 5, Section 22, Inspection of Condominiums

- (a) Purpose: The intent of this regulation is to ensure the health and safety of occupants in dwellings converted to condominium and to ensure compliance with applicable state and local codes, ordinances and regulations.
- (b) The provisions of this section shall apply to any structure which has been used in whole or in part for residential purposes, and which is converted to condominium after the effective date of this section.

- (c) Prior to or within forty-eight hours after the recording of a master deed under G.L. c. 183A in the registry of deeds, but in any event prior to the initial sale of the first unit, the owner or owners who create a condominium shall obtain from the commissioner of inspectional services a certificate of condominium inspection. The owner(s) shall apply for such certificate on such form as the commissioner may provide, shall list each unit, and shall provide a copy of the master deed. The application notice shall be accompanied by the inspection fee required in 5-22(f) below.
- (d) Within five (5) days after a completed application for condominium inspection is filed, the commissioner or his designee shall inspect the property and shall issue such certificate if he determines that the subject property and each subject unit therein is in compliance with applicable state and local codes, ordinances, and regulations.
- (e) The commissioner of inspectional services shall be responsible for enforcing the provisions of Section 5-22 and may issue orders, promulgate regulations, and create procedures necessary for achieving the purpose in 5-22(a).
- (f) The commissioner of inspectional services shall charge an inspection fee of one hundred dollars (\$100.00) per condominium unit in order to defray the city's costs of conducting inspections under this section.
- (g) Any owner who converts property in violation of section 5-22 or in violation of any order or regulation issued by the commissioner pursuant to section 5-22 shall be punished by a fine of not more than three hundred dollars. Each unit converted in violation of this section and each day of continued violation for each unit shall constitute a separate offense.
- (h) A certificate of condominium inspection shall be in addition to and not a replacement for any other regulatory requirement which may be applicable by law, ordinance, or regulation.

- 2. Insert the following into Chapter 17 Section 6, creating a new subsection (d) "Condominium Conversion," to levy the appropriate fee for the inspection required above in the proposed Section 5-22.
 - a. "17-6(d) The fee for an inspection of a condominium as required in Section 5-22 shall be \$100 per unit."

NEXT STEPS

If the Zoning and Planning Committee agrees with the analysis provided by the Planning Department staff recommends referral of , petitions #95-11 and 102-11 back to the Finance Committee with a response to their question so that the Committee can review the proposed fee. If further consideration is necessary, staff requests the Zoning and Planning Committee define what additional data and analysis it may need to inform further discussion.

Item #95-11

Law Department's suggested revisions to text appearing in Planning Department Memo
(Deleted language struck through; added language underscored)

Insert, after Sec. 17-14 of Chapter 17, a new section, 17-15 Fee for Inspection of Condominiums, to levy the appropriate fee for the inspection required above in the proposed Section 5-20.

"17-15) Fee for Inspection of Condominiums

The fee for inspection of a condominium as required by Section 5-20 of these ordinances shall be one hundred dollars (~~\$100.00~~) per unit and shall be paid to the inspectional services department at the time of filing with said department a copy of the master deed."

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REFERRED TO ZONING AND PLANNING AND FINANCE COMMITTEES

#95-11 ALD. HESS-MAHAN proposing an ordinance requiring that a notice of conversion to condominium ownership be filed with the Inspectional Services Department and that the property be inspected to determine compliance with all applicable provisions of the state and local codes, ordinances and the rules and regulations of all appropriate regulatory agencies. [03-24-11 @ 9:30AM]
FINANCE REFERRED BACK TO ZAP COMMITTEE 3/26/2012

ACTION: **APPROVED 6-0**

NOTE: James Freas, Chief Long Range Planner, addressed the Committee. He explained that these items were heard two years ago, approved by Zoning and Planning and sent to the Finance Committee. Finance referred both this item and the related fee item back to ZAP asking for clarification, specifically, why should the City be treating condo conversion any differently than the sale or transfer of any other kind of property. Some changes were made to the original ordinance language taking into account concerns from the Finance Committee. The amended ordinance language is attached.

A Committee member explained a situation in which a single family house that had an accessory apartment turned the two units into condominiums and sold them. Since this was an illegal conversion the two units were considered noncompliant and the buyers of the condos lost a significant amount of money in the transaction. Along with safety issues, this sort of situation was the impetus behind this docket item.

Development vs. Transfer of Property

The Planning Department and the Inspectional Services Department share the view that condo conversion should be treated more like development and less like the sale or transfer of property. People are taking action to change their property in order to increase its value and the change triggers the need for review for legitimate public interest. The three public interests would be legality, safety and data tracking. The legality concern would be to confirm that the transfer of ownership does not change the use as in the conversion of an accessory apartment to a condo. This has happened in the past and is an illegal change of use; the safety issue would be to confirm that the new units meet current safety code standards; and data on condo conversions can be helpful in tracking the availability of housing types in the City (condo, rental, etc.) which can inform the development of housing policy.

Commissioner Lojek said the Town of Brookline has this as a by-law. They do a joint inspection with Fire, Health, and Inspectional Services. Mr. Freas also noted that many communities in this area have this on the books as well. Commissioner Lojek noted that sometimes buyers are not aware of the problems that may exist when a conversion takes place and sometimes the owners who are converting units don't realize them either. He did not want anyone to be taken advantage of or to live in an unsafe unit. He added that with a condo conversion, there are now multiple owners that don't necessarily have control over each other's units. It is then incumbent upon the City to make sure different owners are not endangering each other. The City also would collect better records and data with this new provision. Commissioner Lojek did not feel a fee of \$100 per unit would be any kind of significant burden on any developer.

Identifying Condo Conversions

The Committee wondered how the City would be aware of condo conversions unless the developer was self-reporting, or a neighbor happened to make a call to ISD. Commissioner Lojek said they would need some data sharing from the Assessor's Office as they get the notification of condo conversions from the Registry of Deeds. They could then compare the list from Assessor's Dept. against the actual number of certificates they have issued. Another suggestion was sharing information with the Fire Department as well. Any new unit would need a fire certification before it could be sold. If the Fire Department does not see a condo conversion certificate, they can notify Inspectional Services. Commissioner Lojek said they have started using Community Plus with the Fire Department and they could use that database to see if the condo conversion certificate has been issued, or at least applied for.

The Committee approved this item and the proposed ordinance language which is attached. The item will go back to the Finance Committee.

REFERRED TO ZONING AND PLANNING AND FINANCE COMMITTEES

#102-11 ALD. HESS-MAHAN, JOHNSON, COMMISSIONER LOJEK & CANDACE HAVENS requesting an amendment to Chapter 17 to establish a fee for filing a notice of condo conversion. [03-29-11 @ 4:55PM]

FINANCE REFERRED BACK TO ZAP COMMITTEE 3/26/2012

ACTION: **APPROVED 6-0**

NOTE: The Committee is in favor of establishing a fee of \$100 as outlined in the attached proposed ordinance. The Committee referred this item back to the Finance Committee.

Respectfully Submitted,

Marcia T. Johnson, Chairman

#95-11 ZAP approved language w/ REDLINED revisions for Finance Committee 12/5/2011

Sec. 5-20 Inspection of Condominiums

(a) Purpose: The intent of this regulation is to ensure the health and safety of occupants in dwellings ~~that have been~~ converted to condominium and to ensure compliance with applicable state and local codes, ordinances and regulations.

(b) Prior to or ~~W~~within forty-eight hours after the recording of a master deed under G.L. c. 183A in the registry of deeds, but in any event prior to the initial sale of the first unit, the owner or owners who create a condominium shall obtain from the commissioner of inspectional services a certificate of inspection. The owner(s) shall apply for such certificate on such form as the commissioner may provide, shall list each unit, and shall provide a copy of the master deed. The application shall be accompanied by the inspection fee required in 5-20(f) below file a copy of the master deed and each unit deed with the inspectional services department of the City of Newton

~~(b)(c)~~ Within five (5) business days after a completed application for condominium inspection if filed, the commissioner or his designee shall inspect the property and shall issue such certificate if he determines that the subject property and each subject unit. The inspectional services department shall make an inspection of the property within a reasonable time to determine if it is in compliance with applicable state and local codes, ordinances, and regulations.

~~(e)(d)~~ The commissioner of inspectional services shall be responsible for enforcing the provisions of Section 5-20 and may issue orders, promulgate regulations, and create procedures necessary for achieving the purpose in 5-20(a).

~~(d)(e)~~ The commissioner of inspectional services shall charge an inspection fee of one hundred dollars (\$100.00) per condominium unit in order to defray the city's costs of conducting inspections under this section.

(f) Any owner who converts property in violation of section 5-20 or in violation of any order or regulation issued by the commissioner pursuant section 5-20 shall be punished by a fine of not more than three hundred dollars. Each unit converted in violation of this section and each day of continued violation for each unit shall constitute a separate offense.

(g) A certificate of inspection shall be in addition to and not a replacement for any other regulatory requirement which may be applicable by law, ordinance, or regulation.

~~(e)(h)~~ The provisions of this section shall apply to any structure which has been used in whole or in part for residential purposes, and which is converted to condominium after the effective date of this section.

19-206. Overnight on-street resident parking permit program

Notwithstanding the provisions of Section 19-174(b), there shall be a resident overnight on-street parking permit program (the “program”) in the City of Newton to govern overnight on-street parking of residents’ motor vehicles during the winter. Such program shall commence on November 15, 2013 and expire on April 15, 2014 unless renewed or modified by the board of aldermen. The program shall be administered by the chief of police or his designee.

A. *Overnight on-street resident parking permit, eligibility*

- (1) A resident overnight on-street parking permit of a design specified by the chief of police shall be issued by the police department to an owner or lessor of a motor vehicle which is registered in the Commonwealth of Massachusetts or other state, with a registered gross weight of under two and one-half (2 ½) tons, principally garaged in the City of Newton, owned or leased by a resident of the City of Newton who otherwise qualifies for of issuance of a permit under this section.
- (2) Residents of properties located within one thousand (1,000) feet of a municipal parking lot shall not be eligible to receive a permit.
- (3) Commercial vehicles shall not be eligible to receive a permit.
- (4) Eligibility is limited to residents of Ward 1.

B. *Locations and number of overnight parking permits*

- (1) (a) The chief of police, with guidance from the fire chief and the commissioner of public works, shall determine the locations where overnight on-street permit parking will be allowed. Approved parking locations are subject to change.

(b) The chief of police shall, in the exercise of his discretion, determine which location to assign to a particular resident based on consideration of the street conditions, street capacity, availability of spaces, proximity, as well as considerations of public safety. No resident is guaranteed a permit or an assignment to any particular location.
- (2) The maximum number of permits allowed is as follows:
 - (a) No more than one permit is allowed per individual for no more than one vehicle;

(b) The maximum number of permits allowed per dwelling unit shall be equal to the number of vehicles registered to the dwelling unit, less the number of off-street parking spaces available on the property to the residents of that dwelling unit, as determined by the chief of police, provided, however, that no more than three permits may be issued per dwelling unit.

C. *Procedure and fees*

(1) Applications for a permit shall be submitted on such form and in such manner as the chief of police may specify.

(2) The following non-refundable fees to defray the costs of program administration shall be payable as directed by the chief of police:

Application fee:	\$20.00 per vehicle
Permit Fee:	\$80.00 per vehicle
Permit replacement fee:	\$ 5.00

(3) Each application shall be accompanied by:

- (a) A non-refundable application fee of \$20.00;
- (b) Such proof of residency as may be required by the chief of police;
- (c) Such proof of the number of vehicles registered to the applicant's address as may be required by the chief of police.

(4) Upon receipt of an application, the chief of police shall investigate each application by conducting a site visit in order to determine the number of off-street parking spaces available for the applicant's dwelling unit.

(5) In the event the chief of police determines an applicant to be eligible for a permit, he shall determine and assign the location for which the permit shall be valid, and shall notify each applicant of any determination. Determinations of the chief of police under this section shall be final.

(6) Upon notification of eligibility and location assignment, the applicant shall pay an additional non-refundable permit fee of \$80.00 in order for the permit to issue.

(7) Any outstanding fines for parking violations attributable to the motor vehicle for which a permit is requested must be paid in full before such permit is issued.

D. *Display of overnight resident parking permit*

The chief of police shall establish rules governing display of permits. A permit that is not properly displayed or visible shall not be a valid permit. Each permit shall visibly display the registration number of the vehicle to which it is assigned, the assigned location, and the expiration date of the permit.

E. *Effect of overnight on-street resident parking permit*

(1) Vehicles which display a valid permit shall be exempt from the winter overnight parking restrictions specified in section 19-174(b). Such permit shall not be valid in any street or in any location other than the location to which it is assigned.

(2) Permits shall not be in effect during the period of a declared snow emergency.

(3) The chief of police may temporarily suspend the effect of permits in any location if he determines such suspension is necessary for public safety purposes.

(4) A permit is not valid for any vehicle other than the vehicle for which it was issued and whose registration number is displayed on the permit.

(5) Until its expiration, surrender or revocation, a permit shall remain valid until April 15, 2014.

F. *Revocation of permits*

(1) A permit shall be revoked if it is transferred to a different vehicle than the vehicle to which it was assigned.

(2) A permit shall be revoked if the vehicle's registration address changes, or if the applicant no longer resides at the address.

(3) A permit may be revoked if the vehicle is not removed from the location during a declared snow emergency or during a temporary period of suspension for public safety purposes.

G. If any provision of this section or the application of such provision to any person or circumstance shall be held invalid, the validity of the remainder of this section and the application of such provision to other persons or circumstances shall not be affected thereby.

City of Newton



Setti D. Warren
Mayor

HEALTH AND HUMAN SERVICES DEPARTMENT

Dori Zaleznik, MD., Commissioner
1000 Commonwealth Ave.
Newton, MA 02459-1544

Telephone 617.796.1420 Fax 617.552.7063



Public Health
Prevent. Promote. Protect.

September 16, 2013

Maureen Lemieux
Chief Financial Officer
City of Newton
1000 Commonwealth Avenue
Newton, MA 02459

[Handwritten signature]
APPROVED
9-30-13

Dear Ms. Lemieux:

I am requesting acceptance by the Mayor and the Board of Aldermen of a three-year \$30,000 grant from the CHNA 18 to the City of Newton Youth Services division of the Health & Human Services Department. The grant is entitled, "Dear Stress, Let's Break Up", and the grant is for a program to address youth stress in our city. The award for this year through June 30, 2014 is \$10,000. A copy of the award letter and proposed budget is appended to this letter.

Sincerely,

Dori Zaleznik MD

Dori Zaleznik, MD
Commissioner

DZ:bm

RECEIVED
Newton City Clerk
2013 SEP 30 PM 4: 10
David A. Olson, CMC
Newton, MA 02459

West Suburban Community Health Network Area (CHNA) 18

#327-13

Brookline ★ Dedham ★ Dover ★ Needham ★ Newton ★ Waltham ★ Wellesley ★ Weston ★ Westwood

Jennifer O'Leary
Newton Health and Human Services Department
1000 Commonwealth Ave
Newton MA 02459

August 20, 2013

Dear Ms. O'Leary,

On behalf of CHNA 18, I would like to congratulate you on your successful application in response to the CHNA 18 RFP: Grants Promoting Mental Health and Mental Well-Being. At this time, CHNA 18 is prepared to provide funds in the amount of \$10,000 to support your project for the grant year July 1, 2013-June 30, 2014.

Included with this letter you will find several items requiring your review and/or signatures. Items included are:

1. Contract between your organization and CHNA 18 to be signed and returned
2. Items requiring IMMEDIATE response in order for funds to be released (below)
3. Memorandum on reporting and meeting attendance requirements
4. Memorandum on invoicing for grant funds

Please send the requested information within **seven** business days of receipt of this letter to:

(Contract)

Jhana Wallace, CHNA 18 Coordinator
108 Linden Rd
Melrose, MA 02176

(All other items)

jhanaw@gmail.com

Upon receipt of all required documents and requested information, funds will be released for availability for you to invoice. In the meantime, if you have questions or concerns, or would like further clarification on the requested documentation, please contact our Coordinator, Jhana Wallace, by phone at 617-230-4487, or by email at jhanaw@gmail.com.

We are pleased that your organization is committed to improving the health of people in CHNA 18 communities, and we look forward to learning more about your project over the upcoming year.

Sincerely,



Bruce Cohen, Co-Chairman

Attachment B: Budget (Budget form may be expanded to fit project)

Item	Total Project Costs	Other Funding Sources	Amount requested in application
Staff	\$13,600.00	City of Newton	\$2,000.00
Supplies	\$1,000.00	n/a	\$1,000.00
Equipment	\$0	n/a	\$0
Administration (may not exceed 5% of budget requested)	\$0	n/a	\$0
Other Expenses (list and explain)			
Presentations/Programs	\$10,268.75	Engaging Minds & Families for Depression Awareness	\$5,300.00
Transportation	\$800.00	n/a	\$800.00
Food	\$800.00	n/a	\$800.00
Website	\$72.00	City of Newton	\$0
Social Media	\$100.00	n/a	\$100.00
Survey Monkey	\$16.66	City of Newton	\$0

Total	\$26,657.41	\$16,657.41	\$10,000.00
Fiscal Contact Person:			
Jennifer O'Leary, Director of Youth Services, City of Newton			
Address:			
1000 Commonwealth Ave, Newton, MA 02459			
Phone:	617-796-1436	Fax:	617-552-7063
Name/Address/Contact information of fiscal agent/conduit if applicable:		Email:	
n/a		joleary@newtonma.gov	

Attachment B Continued: Grant Budget Narrative

Justification of program expenses requested in this grant application and identification of other sources of funding

Please list and explain all project costs to be funded.

- **Staff:** Requested: \$2,000.00
 - Intern hired for this grant work, paid a stipend at a rate of \$10.00 per hour for 5 hours per week for 40 weeks per year: \$2,000.00
 - In-Kind: 20% salary and benefits, 1 Full-time Director of Youth Services, cost covered by City of Newton: \$11,600.00
- **Supplies/Marketing:** Requested: \$1,000.00
 - Workshops, presentations and awareness events will need copies, folders, pens, pencils, postage, etc.
 - Marketing for the workshops will also be an important component and is estimated at \$150 per event.
- **Transportation:** Requested: \$800.00
 - Many teens and families have expressed that transportation is an issue and part of the reason for low attendance at after-school and evening programs.
 - The CHNA 18 Health Needs Assessment also found transportation to be a community health need, especially for youth and seniors. (pg. 24)
 - As partner organizations, Newton YMCA and the Newton Boys & Girls Club will provide the vehicles, and costs will be reimbursed by the grant. Projected costs are \$40 per hour for 20 hours per year.
- **Social Media and Web:** Requested: \$100.00
 - In the CHNA 18 Health Needs Assessment it is stated that strategies might include "Provide education and social marketing campaign for more effective parenting" (pg.22)
 - Facebook has an option for advertising your page for a cost to increase traffic to the page and increase "likes." Projected cost \$50 per year
 - Twitter also has a "promoted tweets" feature that helps to target your audience and reach more people. Projected cost \$50 per year
 - In-Kind: Figures in budget based on information from City of Newton Chief Information Officer
 - Website: \$5.99 per month for 100 mb of space, \$72 per year, cost covered by City of Newton
 - Survey Monkey projected cost \$16.66 per year, Cost covered by City of Newton
- **Presentations/Programs:** Requested: \$5,300.00
 - Through the discussions with community stakeholders we will know more about which workshops/presentations will be selected as a part of this project, as noted in the grant narrative, below are some examples of potential programs and cost:
 - Navigating the Rocky Road of Adolescence by MSPP, \$450.00 per session, 4 sessions, \$1,800.00
 - The Secret Life of a Massachusetts Teen by Jon Mattleman, \$550.00
 - Professional Development for teachers by Engaging Minds, \$1,500.00 per school, pilot program with one school
 - Community-wide awareness activity modeled on Town of Winchester Lantern Walk \$1,700.00
 - In-Kind: Parent Presentations on Executive Function by Engaging Minds, 8 per year at \$150 per session, cost covered by Engaging Minds
 - In-Kind: costs covered by Families for Depression Awareness, funded by the Rebecca Pomeroy Foundation
 - Parent and Teen Guides retail for \$11.95, 100-125 guides, \$1,493.75
 - Teen Depression Workshop (with Guides for participants) \$750
 - Copy of the Teen Depression workshop materials (presentation, facilitator's guide, ancillary materials, and Parent and Teen Guides) for school or City staff or a mental health practitioner to present; and a one-year license retails for \$275 for a non-profit
 - Newton-tailored Teen Depression webinar (with Guides for participants) \$1,000; it's higher because of the technology fees
 - The fee for an appearance by a student speaker (with Guides for participants) would be \$250
- **Food:** Requested: \$800.00
 - Due to the timing of afterschool workshops and presentations and the age group we work with, it makes sense to include some food at some of the workshops. Teens are overscheduled and we want them to be making healthy choices, if they come right from another program or activity they may not otherwise eat dinner until very late in the evening when they return home. Estimated \$800.00



PUBLIC BUILDINGS DEPARTMENT

Joshua R. Morse, Interim Commissioner

Telephone (617) 796-1600

FAX (617) 796-1601

TTY: (617) 796-1089

52 ELLIOT STREET

NEWTON HIGHLANDS, MA 02461-1605

Setti D. Warren
Mayor

September 11, 2013

[Handwritten Signature]
APPROVED
9-30-13

The Honorable Setti D. Warren
Mayor
City of Newton
1000 Commonwealth Avenue
Newton Centre, MA 02459

RE: Solarize Newton Markets Services Grant Acceptance

Dear Mayor Warren:

The Public Buildings Department has received a check in the amount of \$2,500.00, from The Massachusetts Clean Energy Center for Solarize Newton Marketing Outreach Services, in connection with the Solarize Massachusetts Program that the City has been admitted to.

This funding is meant to pay the solar coach for completed services.

The Public Buildings Department is requesting that the City of Newton accept this funding for the above program so costs incurred for the work that will be completed by the solar coach can be reimbursed to the coach.

Should you have any questions, please feel free to contact my office.

Sincerely,

[Handwritten Signature]

Joshua R. Morse
Interim Commissioner of Public Buildings

RECEIVED
Newton City Clerk
2013 SEP 30 PM 4: 10
David A. Olson, CMC
Newton, MA 02459

CC: Robert R. Rooney, Chief Operating Officer
Maureen LeMieux, Chief Financial Officer

19CC11513 *[Handwritten Initials]*

11347

MASSACHUSETTS CLEAN ENERGY CENTER

Vendor ID	Name	Payment Number	Check Date	Document Number		
1349	Newton, City of	0007486	5/9/2013	011347		
Our Voucher Number	Date	Trx Description	Amount	Amount Paid	Discount	Net Amount Paid
1	5/9/2013	Solarize Newton Marketing	\$2,500.00	\$2,500.00	\$0.00	\$2,500.00

\$2,500.00 \$2,500.00 \$0.00 \$2,500.00

11347

FIRST REPUBLIC BANK
 160 FEDERAL ST
 BOSTON, MA 02110
 54-7500-2114

DATE AMOUNT
 5/9/2013 \$2,500.00

MASSACHUSETTS CLEAN ENERGY CENTER
 55 SUMMER STREET, 9TH FLOOR
 BOSTON, MA 02110
 (617) 315-9355

PAY Two Thousand Five Hundred Dollars and 00 Cents

security features. Details on back.

LAW DEPARTMENT



CITY OF NEWTON, MASSACHUSETTS

CITY HALL

1000 COMMONWEALTH AVENUE

NEWTON CENTRE, MA 02459

TELEPHONE (617) 796-1240

FACSIMILE (617) 796-1254

CITY SOLICITOR
DONNALYN B. LYNCH KAHN

ASSOCIATE CITY SOLICITOR
OUIDA C.M. YOUNG

ASSISTANT CITY SOLICITORS

MARIE M. LAWLOR
ANGELA BUCHANAN SMAGULA
ROBERT J. WADDICK
MAURA E. O'KEEFE
JEFFREY A. HONIG
ALAN D. MANDL
JULIE B. ROSS

[Handwritten Signature]
APPROVED
9-30-13

September 24, 2013

Mayor Setti D. Warren and Board of Aldermen
City of Newton
1000 Commonwealth Avenue
Newton Centre, MA 02459

RE: *The Standard Fire Insurance Company a/s/o Caryn Slotzky and Thad Zeiler v. City of Newton, File No. 13-321*

RECEIVED
Newton City Clerk
2013 SEP 30 PM 5:10
David A. Olson, Clerk
Newton, MA 02459

Dear Mayor Warren and Honorable Board of Aldermen:

On June 6, 2013, while in the process of replacing a water service line at 72 Fessenden Street, a City of Newton crew cut the water service but turned it back on before the work on the line was finished, resulting in the flooding of the basement of said property.

An investigation into the incident was conducted and it was determined that the City would likely be found liable for damages in a court of competent jurisdiction.

The Standard Fire Insurance Company, as subrogee of Caryn Slotzky and Thad Zeiler, made a timely and proper claim pursuant to M.G.L.c. 258 seeking \$7,444.99 for property damages. The amount of claim for damages was supported by documentary evidence.

Therefore, I respectfully request that you docket this item seeking to appropriate \$7,444.99 from the Reserve Account and authorize the expenditure thereof as full and final settlement of this claim against the City of Newton.

Respectfully submitted,

Robert J. Waddick

Robert J. Waddick
Assistant City Solicitor

FROM: Water Fund Operating Reserve
28A10498-5790 \$7,444.99
TO: Legal Claims & Settlements
28A10893-5725 \$7,444.99

F

To:

14.95

.51

471114 00

RAW 10/1/2013

Mayor Setti D. Warren and Honorable Board of Aldermen
September 25, 2013
Page 2 of 2

cc: Robert R. Rooney, Chief Operating Officer
Maureen Lemieux, Chief Financial Officer

City of Newton Investment Policy

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I. Responsibilities and Scope

A. Responsibilities

The Mayor, the Treasurer and the Comptroller shall develop the policy for investment of City funds for the approval of the Board of Aldermen. This policy shall be reviewed on a regular basis and, at a minimum, every four years. The Treasurer shall report on the review to the Board of Aldermen Financial Audit Advisory Committee.

The Treasurer has the responsibility and authority to manage the investment of City Funds (see Massachusetts General Laws, Chapter 44, section 55B and Acts of 1985, Chapter 740). The Treasurer shall carry out established written procedures and internal controls for the operation of the investment program consistent with this investment policy. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Treasurer. If the Treasurer wishes to make a decision to deviate from the terms of this policy, the Treasurer shall obtain prior written approval from the Board of Aldermen. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

The selection of financial institutions and broker/dealers authorized to engage in transactions with the City of Newton shall be at the sole discretion of the Treasurer.

The Treasurer, as required by Massachusetts General Laws, Chapter 44, section 55B, must invest all public funds, except those required to be kept uninvested for purposes of immediate distribution. Invested funds are required to 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.” (Ref: Ch 740, Acts of 1985 and Chapter 44, section 55B)

The Treasurer and those responsible to the Treasurer shall be bonded as required by law and insured for their fiduciary responsibilities.

The Treasurer shall be responsible for monitoring changes to the General Laws governing the type and method of investing City funds referred to in this Investment Policy.

B. Scope

This investment policy is to be used by the Treasurer as a general guideline for the investment of the City of Newton’s cash assets. The policy applies to the following:

- General Operating Funds (which includes Special Revenue Funds, Stabilization Funds, most Self-Insured Trust Funds, Capital Project Funds, Internal Service Funds and Agency Funds)
- City Trust Funds and one Self-Insured Trust Fund, the Workers Compensation Insurance Fund

II. Standards of Care

A. Prudence

The standard of prudence used by the Treasurer and employees involved in the investment process shall be the "prudent person" standard. Such fiduciaries must act in the manner of a prudent person, with judgment and care, discretion and intelligence. They must act not for speculation but for investment, considering the probable safety of the capital as well as the probable income to be derived, with the understanding that no investment is completely without risk. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

B. Ethics and Conflict of Interest

The Treasurer and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

III. Objectives

City funds are to be invested in a manner which will meet the daily cash flow demands of the City of Newton. The investment activities shall conform to all applicable federal and state statutes and City ordinances governing the investment of public funds. In addition, the City's investment activities will be managed by the Treasurer to achieve the primary objectives, in order of priority, of safety, liquidity and return.

A. Safety

Safety of principal is the foremost goal of the City of Newton's investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital. Safety also is the assurance that the investment expectation will be fulfilled in a timely fashion. To attain this objective, diversification of types of investments, duration of investments and financial institutions holding the investments shall be considered. The Treasurer shall invest in quality issues and comply with state statutes regarding investment requirements.

B. Liquidity

After safety, the next most important objective is liquidity. The investment portfolio shall remain sufficiently liquid to enable the City to meet all operating, debt service and cash needs that may be reasonably anticipated without substantial transaction costs. Liquidity is accomplished by structuring the portfolio so that securities mature concurrently with cash needs (static liquidity). In addition, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). The Treasurer shall continue to analyze the cash flow of all funds on a regular basis to ensure maximum cash availability.

C. Return

Return on investment is the third priority after the safety and liquidity objectives described above. The City's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the City's investment risk constraints and liquidity needs.

The Treasurer shall continue to pool cash from several different funds for investment purposes, in order to obtain the best possible return on all cash investments. The Treasurer shall continue to analyze market conditions and investment securities on a regular basis to determine the maximum yield to be obtained. The Treasurer shall continue to invest the maximum amount of idle cash on a continuous basis taking advantage of disbursement float whenever possible.

D. Quality of Services, Cost, Community Support

To repeat, the most important investment goals are, in order of priority, safety, liquidity and return on investment. Once all three of those criteria have been met, the Treasurer, when appropriate, may also give consideration to:

- (1) Quality of services provided by the financial institution;
- (2) The ability of the City to minimize costs, either those charged by the financial institution or the internal costs borne by the City of Newton in managing its relationship(s) with financial institutions; and,
- (3) Investing for the betterment of Newton's local economy.

IV. Suitable and Authorized Investments

Consistent with the Massachusetts General Laws and generally accepted practices, the following investments will be permitted by this policy.

A. General Operating Funds (which includes Special Revenue Funds, Stabilization Funds, most Self-Insured Trust Funds, Capital Project Funds, Internal Service Funds and Agency Funds)

General operating will be invested by the Treasurer in accordance with MGL, Ch. 44, sec. 55, 55A, 55B.

1. U.S. Government obligations, U.S. Government agency obligations, and U.S. Government instrumentality obligations with a maturity of less than one year;
2. Repurchase Agreements secured by U.S. Government or Agency obligation with a maturity of less than 90 days from a trust company, national bank or banking company;
3. Certificates of Deposit with a maturity of less than two years from trust companies, national banks, savings banks, banking companies, or cooperative banks.
4. Money Market Deposit Account from a commercial bank, mutual savings bank, savings and loans, and cooperative banks; or
5. State Investment Pool (MGL Ch. 29, sec 38A), i.e., pooled investment funds operated under the authority of the State Treasurer in the Massachusetts Municipal Depository Trust (“MMDT”)

B. City Trust Funds

City trust funds will be invested by the Treasurer in accordance with the Acts of 2007 Ch. 75. This chapter specifies that, notwithstanding any general or special law to the contrary, the Treasurer of the City of Newton may invest the funds of the City in the custody of the Treasurer in accordance with the investor rule, and sections 3, 4, 5, 8 and 9 of Chapter 203C of the General Laws. The Treasurer, in consultation with each trust fund board of trustees, shall develop investment policies which shall include an asset allocation policy for each trust fund and shall select professional investment advisors to manage the funds.

C. Retirement Funds

Pension funds are under the jurisdiction of the City of Newton’s Contributory Retirement System. The restrictions imposed by Sections 54 and 55 do not apply to city retirement systems. A breakdown of these investments may be obtained either from the Director of the Newton Contributory Retirement System or by consulting the Retirement page of the City of Newton website. Quarterly information about fund investments is posted on this site.

D. Investment Restrictions

The City at the present time will not invest in the following types of investments:

- Derivatives, hedging, or speculative type of investments;
- Reverse Repos, Leveraging or similar investments;
- Master Trust and Custodial Bank Security Lending Programs;
- Any other investment type not authorized by this policy; and,
- Any entity doing business with Sudan pursuant to Newton City Ordinances Sec. 2-117, except as exempted by the ordinance.

V. Authorized Financial Institutions, Brokers/Dealers and Depositories

The Treasurer shall organize and maintain banking relationships designed to ensure investment of all available funds in disbursement accounts.

The Treasurer will maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by creditworthiness (minimum capital requirement \$10,000,000 and at least five years of operation). These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule).

All financial institutions and broker/dealers who desire to become qualified bidders for cash management services and investment transactions must supply the following as appropriate:

- Depositories, custodians, and dealers are selected or qualified through competitive procedures, including requests for proposals for cash management services;
- Provide compliance certification from the Broker/Dealer and an independent auditor for capital adequacy requirements. Broker/Dealers conducting transactions with the City are required to comply with the Federal Reserve Bank of New York's capital adequacy guidelines as a condition of doing business.
- Audited financial statements;
- Proof of National Association of Securities Dealers (NASD) certification;
- Proof of state registration;
- Certification of having read, understood and agreeing to comply with the City's investment policy.

An annual review of the financial condition and registration of qualified bidders will be conducted by the Treasurer.

VI. Investment Guidelines

A. Safety

Investments will be limited to relatively low risk financial instruments in anticipation of earning a fair return relative to the risk being assumed. Similarly, investments are limited to financial instruments that have higher credit risks with all fixed income investments rated A or above by Standard & Poors (S&P) or a similar rating by another nationally recognized rating agency.

B. Liquidity

To ensure liquidity to meet ongoing obligations, the Treasurer will maintain an appropriate portion of the portfolio in readily available cash, money market funds, the State Treasurer's Pooled Fund, or overnight repurchase agreements. At least 25% of the portfolio shall be invested in cash or marketable securities which can be sold to raise cash in one business day's notice. The Treasurer shall maintain a minimum of three months of budgeted operating expenditures in short term investments to provide sufficient liquidity

for expected disbursements. The Treasurer will make longer-term investments only with funds that are not needed for current cash flow purposes.

C. Diversification

The City of Newton will limit risk by diversifying its investments by investment type, by issuer, and by maturity.

- With the exception of U.S. Treasury securities and the State Treasurer's investment pools, no more than 25% of the City's total investment portfolio may be invested in a single investment type, unless that investment category carries full FDIC insurance. Note: Investment types are those required for disclosure in the Comprehensive Annual Financial Report (CAFR) by Generally Accepted Accounting Principles (GAAP). In 2011, these included U.S. agencies debt securities, corporate bonds, money market mutual funds, mutual bond funds, certificates of deposit, equity securities, equity mutual funds, and real estate investments.
- With the exception of the U.S. Treasury securities and the State Treasurer's investment pools, no more than 15% of the City's total investment portfolio may be invested with a single financial institution, unless that single financial institution's investments carries full FDIC insurance or are fully collateralized.
- With the exception of the U.S. Treasury securities and the State Treasurer's investment pools, no single banking institution shall hold in excess of 25% of the Treasurer's cash balance (cash and investments) for more than three consecutive days.
- MGL c. 44, § 55 specifies that a municipality may not at any one time have on deposit in a bank or trust company an amount exceeding 60% of the capital and surplus of that institution and a total of all the municipality's accounts must not exceed 60% of the institution's net equity. The City of Newton has a more stringent policy. The City of Newton will not have on deposit in a bank or trust company an amount exceeding 15% of capital and surplus of that institution and a total of all the municipality's accounts must not exceed 15% of the institution's net equity, unless those deposits carry full FDIC insurance or are fully collateralized.

Due to fluctuations in the aggregate surplus funds balance, maximum percentages for a particular issuer or investment type may be exceeded at a point in time subsequent to the purchase of a particular issuer or investment type. Securities do not necessarily need to be liquidated to realign the portfolio; however, consideration should be given to liquidation and to this matter when future purchases are made to ensure that appropriate diversification is maintained.

D. Maturity

The City will limit risk by staggering the maturity of securities to avoid concentrations in any one maturity sector. All General Operating Funds maximum final maturity is one year or less unless specific authority requires it to be shorter.

E. State Treasurer's Pooled Fund, a.k.a., Massachusetts Municipal Depository Trust

The Massachusetts Municipal Depository Trust (MMDT) is an investment pool created by the Commonwealth under the supervision of the State Treasurer's Office. The Massachusetts Municipal Depository Trust (MMDT) combines the funds of Massachusetts public units and invests on their behalf in short-term instruments of the U.S. Treasury and Government Agencies and large corporations and financial institutions, thus offering investors, such as the City of Newton, the opportunity to earn higher yields through a professionally managed fund. According to the State Treasurer, the Trust's investment policy is designed to maintain an average weighted maturity of 90 days or less and is limited to high-quality, readily marketable fixed income instruments, including U.S. Government obligations and highly-rated corporate securities, with maturities of one year or less. Assets are invested only in "tier 1" and "tier 2" credit quality securities. Investments in the MMDT are not a deposit in a bank and are neither insured nor guaranteed by the Commonwealth of Massachusetts, the FDIC, or the U.S. Government or any of its agencies. Although the MMDT Cash Portfolio is managed to seek to maintain a stable \$1.00 unit price, there is no guarantee it will be able to do so and a loss of principal is possible with these pools. The degree of safety of the MMDT has been deemed collateralized by the Government Accounting Standards Board 5(GASB) in its qualification of state investment pools in financial statements.

The City of Newton will continue to use this highly liquid, comparatively safe pool as an integral part of its overall investment strategy when, in the Treasurer's judgment, liquidity is necessary, or it is advantageous to do so, taking advantage of disbursement float whenever possible. There is no limit on the amount of funds that may be invested in the State Treasurer's Pooled Fund.

F. Certificates of Deposit and U.S Treasury and Government Agency Securities

The City of Newton will use bank certificates of deposit and/or U.S. Treasury and Government Agency securities for maturity periods which provide a favorable rate differential compared to the state Treasurer's pooled investment based upon the Treasurer's judgment and taking advantage of disbursement float whenever possible.

- Certificates of Deposit: The Treasurer may invest in Certificates of Deposit with a maturity of less than one year or less from trust companies, national banks, savings banks, banking companies, or cooperative banks.
 - No more than 15% of the portfolio shall be invested in Certificates of Deposit in any one financial institution.
 - For any one financial institution, Newton's investment in its Certificates of Deposit will not exceed 15% of the capital and surplus of that institution as of its most recent annual report.
- U.S Treasury and Government Agency Securities: The City will use these securities, with a maturity of one year or less, for reasons of diversification and security. Treasury securities will be purchased either at auction or through the

secondary market. Agency securities will only be purchased through registered dealers. There is no limit on the amount of funds that may be invested in U.S Treasury and Government Agency securities.

G. Mutual Funds

The City may from time to time invest trust funds, as allowed, in a mutual fund consistent with the following:

- Portfolio diversification, liquidity, and professional management;
- Maturity of Fund is less than 60 days;
- Regulated by the Securities and Exchange Commission;
- Portfolio consists only of domestic securities;
- Portfolio contains no derivative products;
- Favorable market risk (volatility) rating from nationally recognized rating agency; and
- Maintains a high rating from a nationally recognized rating agency such as Morningstar.

H. Repurchase Agreements

A repurchase agreement (or repo) is economically similar to a secured loan. It is the sale of securities together with an agreement for the seller to buy back the securities at a later date for a higher price. The City of Newton, who would initially sell the security, is effectively a borrower. The buyer of the security -- effectively the lender -- receives securities as collateral.

The City of Newton will use repurchase agreements only on a limited basis when no other more favorable options are possible and then only for a duration of no more than three days and only with a bank with a top bank rating (if using Veribanc, a rating of Green).

Except in the case of overnight repurchase agreements used for the investment of available float in one of the City's operating accounts, any agreement entered into by the City will be on a delivery versus payment basis.

Any Repo purchased by the City Treasurer is subject to the following:

- Special caution used in selecting parties with whom the City will conduct repurchase transactions;
- The ability to identify the parties acting as principals to the transaction;
- The use of a Master Repurchase Agreement, or the use of a Public Securities Association Repurchase agreement with added language addressing delivery, substitution, margin maintenance, margin amounts, seller representations and governing law;
- The use of proper collateralization practices to protect funds invested in repos:

1. Collateral will be in the form of U.S. Treasury or Government Agency securities delivered to the City's third party custodian.
2. Delivery of underlying securities through physical delivery or safekeeping with the City's custodian; and
3. Over collateralization ("haircuts") or marking-to-market practices are mandatory.

I. Bank Ratings

The Treasurer will assess the financial condition of the banks in which the City of Newton invests by reviewing bank rating guides and banks' Reports of Financial Condition and by periodic discussions with the institutions about their financial condition. Primary emphasis will be placed on a bank's capital adequacy, loan quality and profitability before determining suitability for City investments.

The Treasurer will use a reputable bank rating service or services in judging the risk characteristics of the available banks. The Treasurer will invest funds only in institutions with a top rating from a reputable bank rating service. In the case of Veribanc, the bank must have a green rating. If the bank rating falls to yellow, the Treasurer must inform the Chief Financial Officer and the Chair of the Board of Aldermen's Finance Committee. The Treasurer will closely monitor the situation and move the funds if and when appropriate.

M. FDIC Insurance

The size of the City's investment portfolio precludes the use of only FDIC insured products. Efforts will be made to maximize FDIC insurance protection and period modifications to this policy may be made to take advantage of changing FDIC regulations.

All FDIC accounts will be kept within the maximum coverage level as a maximum unless additional collateralization or insurance (i.e. DIF coverage for Massachusetts banks) is provided and the yield is advantageous.

N. Collateralization

Massachusetts has no legal requirement for collateralizing public deposits. Until adoption of collateralization legislation, the Treasurer will provide as much security as possible for the City of Newton's bank investments through the prudent selection process described above. In addition, all cash accounts will be kept within the maximum FDIC coverage level unless additional collateralization or insurance (i.e. DIF coverage for Massachusetts banks) is provided and the yield is advantageous. One type of investment requires collateralization: Repurchase Agreements.

When collateralization is required, the City of Newton will have all pledged collateral held at an independent third-party institution outside the holding company of their bank in the name of the City of Newton, and evidenced by a written agreement. The value of the pledged collateral will be marked to market monthly, or more frequently, depending

on the volatility of the collateral pledged. The margin level of the pledged collateral must be at least 102% of the face value of the security and may be higher depending on the liquidity and volatility of the collateral pledged. Substitutions of collateral must meet the requirements of the collateral agreement, be approved by the entity in writing prior to release, and the collateral should not be released until the replacement collateral has been received. When surety bonds are used in lieu of collateral, they should be limited to those insurers of the highest credit quality as rated by A.M. Best or another nationally recognized rating agency. The City of Newton requires monthly reporting directly from the custodian. The custodian must warrant and be signatory to the agreement.

VII. Safekeeping and Custody

A. Custody

For administrative ease, custody accounts may be established in the name of the City of Newton in order to receive and hold book entry U.S. Treasury and Government Agency securities purchased by the City from commercial banks, collateral for any repurchase agreements to which the City is party, and collateral against any bank investments the City may require.

B. Delivery vs. Payment (DVP)

All trades where applicable will be executed by deliver vs. payment (DVP). This ensures that securities are deposited in the eligible financial institution prior to the release of funds. Securities will be held by a third party custodian as evidenced by safekeeping receipts.

C. Internal Controls

The Comptroller is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse. The internal controls' structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation costs and benefits require estimates and judgments by management.

Accordingly, the Comptroller shall establish a process for independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

- Control of collusion;
- Separation of transaction authority from accounting and record keeping;
- Custodial Safekeeping;
- Avoidance of physical delivery securities;
- Clear delegation of authority to subordinate staff members;
- Written confirmation of telephone transactions for investments and wire transfers;
- Wire transfer agreements with lead bank or third party custodian.

IX. Reporting

A. Reports

Cash Budget: The Treasurer will prepare, maintain, and keep current a cash budget in sufficient detail to adequately plan the annual investment and debt program.

Cash Analysis: The Treasurer shall prepare a Cash Analysis report monthly for the Chief Financial Officer and the Treasurer will submit it to the Board of Aldermen on a quarterly basis for its review.

Investment Report: The Treasurer shall prepare an investment report at least quarterly, including a management summary that provides a clear picture of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner that will allow the City to ascertain whether the investment activities during the reporting period have conformed to the investment policy. The report shall be provided to the Mayor, the Finance Committee of the Board of Aldermen, and Comptroller on a quarterly basis. The report will include at a minimum the following:

- The cash balance by bank
- The total assets of each bank
- The cash balance in each bank as a percent of City deposits
- The cash balance vis a vis the limits identified in this policy
- The excess problem loan (EPL) as a percent of each bank's assets

Annual Report: The Treasurer will prepare an annual report of the calendar year in conjunction with an investment policy review. This report shall include comparisons of City's return to the Benchmark Index return, shall suggest policies and improvements that might enhance the investment program, and shall include an investment plan for the coming year. The report shall be provided to the Mayor, the Finance Committee of the Board of Aldermen, and Comptroller in February each year.

B. Performance Standards and Evaluation

The investment portfolio will be managed in accordance with the guidelines specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. The portfolio's performance shall be compared on a regular basis, at least annually, to market returns.

C. Marking to Market

A statement of the market value of the portfolio shall be issued at least quarterly. This will ensure that the minimal amount of review has been performed on the investment portfolio in terms of value and subsequent price volatility.

D. Fees

Fees for securities and mutual fund based investments may be charged on a managed or transaction fee basis whichever is more cost effective, as determined by the Treasurer. Fees may therefore be paid/recorded based on a pre-determined payment schedule (e.g. quarterly, annually), netted against income distributions or netted against the investment's purchase price.

E. Arbitrage

Certification that states bond proceeds are not to be used for purposes of arbitrage. Bond issues (and any proceeds thereof) are to be used for the intended purpose; not considered surplus for investment in higher yielding, taxable securities.

F. Exemptions

Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

G. Performance Monitoring

The Treasurer along with designated financial staff, auditor, and the Comptroller may review the performance of the entities selected to provide services through the RFP process. The review may occur off the fiscal year calendar due to information reporting and collection limitations. The results of the review will become part of the next quarterly report.

Annual Review:

- Cash accounts marked against competitors. Failure of the bank to provide competitive interest rates on comparable products and services will reflect negatively on the fee or service relationship established by a competitive proposal process. Long-term lagging of interest rates behind competitors may require an interim RFP to be executed by the Treasurer. Yield comparisons will be against competitors' product or services (i.e., checking to checking, savings to savings, money market to money market).
- Investment Yield Comparisons: Investment accounts marked against selected indices and market.
- Services Provided. Meeting contractual agreement and performance standards set by RFP.
- Annual Review of financial condition of each entity

Triennial Review:

- Annual Review Procedures
- Execution and Completion of RFP for Cash Management Services