

CITY OF NEWTON

IN BOARD OF ALDERMEN

FINANCE COMMITTEE AGENDA

MONDAY, FEBRUARY 13, 2012

7 PM
Room 222

PLEASE BRING THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

ITEMS TO BE DISCUSSED:

#267-11 COMPTROLLER transmitting the Budgetary Basis Annual Financial Report for fiscal year ending June 30, 2011 for Board of Aldermen review/acceptance. [09/09/11 @ 2:05 PM]

REFERRED TO PUBLIC SAFETY AND FINANCE COMMITTEES

#364-10(2) HIS HONOR THE MAYOR requesting an appropriation in the amount of seventy-four thousand five hundred three dollars (\$74,503) from the Capital Stabilization Fund – Designated for Ordinary Capital Funding to provide additional funds to secure the entrance in the Police Department lobby. [01/30/12 @ 4:18 PM]

PS&T APPROVED 8-0 on 02/08/12

REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES

#37-12 HIS HONOR THE MAYOR requesting authorization to appropriate and expend the sum of ninety thousand eight hundred sixty-two dollars (\$90,862) from Free Cash and a transfer of sixteen thousand seven hundred fifty thousand dollars (\$16,750) from the Budget Reserve for the purpose of funding costs associated with emergency tree services. [01/30/12 @ 4:19 PM]

PROG & SERV APPROVED AS AMENDED 7-0 on 02/08/12

REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES

#38-12 HIS HONOR THE MAYOR requesting authorization to establish three revolving accounts with annual expenditure limits of \$350,000 each for the purpose of receiving funds for 1) Regular Tuition, 2) Special Education Tuition, and 3) English Language Learners Tuition. [01/30/12 @ 4:18 PM]

PROG & SERV APPROVED 7-0 on 02/08/12

The location of this meeting is handicap accessible, and reasonable accommodations will be provided to persons requiring assistance. If you have a special accommodation need, please contact the Newton ADA Coordinator Trisha Guditz, 617-796-1156, via email at TGuditz@newtonma.gov or via TDD/TTY at (617) 796-1089 at least two days in advance of the meeting date.

REFERRED TO PROG & SERV, PUB FACIL AND FINANCE COMMITTEES

- #40-12 HIS HONOR THE MAYOR requesting the vote of the Board of Aldermen to complement by RESOLUTION the vote of the School Committee to transfer the sum of seven hundred fifty thousand dollars (\$750,000) from health insurance savings to the Angier School Building Fund to fund the costs of a feasibility study of the Angier Elementary School. [01/30/12 @ 4:30 PM]
PROG & SERV APPROVED SUBJECT TO SECOND CALL 6-0 on 02/8/12
PUB FAC APPROVED SUBJECT TO SECOND CALL 7-0 on 02/08/12

ITEMS NOT TO BE DISCUSSED:

REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES

- #39-12 HIS HONOR THE MAYOR requesting authorization to establish a revolving account with an annual expenditure limit of \$2,000,000 for the purpose of receiving funds collected by the Newton Schools Foundation in connection with the sale of naming rights for Newton Public School buildings and facilities and to be distributed for the sole purpose of public school education technology and curriculum purposes. [01/30/12 @ 4:18 PM]

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

- #407-11 HIS HONOR THE MAYOR requesting authorization to appropriate and expend the sum of ninety thousand dollars (\$90,000) from bonded indebtedness for the purpose of purchasing a backhoe for the Department of Public Works. [10/31/11 @ 2:48 PM]

REFERRED TO FINANCE AND APPROPRIATE COMMITTEES

- #383-11 HIS HONOR THE MAYOR submitting the FY13-FY17 Capital Improvement Program pursuant to section 5-3 of the Newton City Charter and the FY12 Supplemental Capital budget, which require Board of Aldermen approval to finance new capital projects over the next several years. [10/31/11 @ 3:12 PM]

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

- #374-11 HIS HONOR THE MAYOR requesting authorization to appropriate and expend the sum of twenty-five thousand dollars (\$25,000) from FY11 Free Cash for the purpose of repairing/replacing a broken jail cell door and track at Police Headquarters. [10/31/11 @ 2:49 PM]

REFERRED TO PUBLIC SAFETY & TRANS. AND FINANCE COMMITTEES

- #262-11 HIS HONOR THE MAYOR requesting amendments to Chapter 17 of the City of Newton Ordinances, 2007 to increase fees for permits issued by the Fire Department. [08/29/11 @ 3:50 PM]
- #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 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]
ZAP APPROVED 7-0 on 06/13/11

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]
ZAP APPROVED 7-0 on 06/13/11

REFERRED TO PUBLIC FACILITIES & FINANCE COMMITTEES

- #89-11 FINANCE COMMITTEE recommending that **Sec. 29-72(b) Same— Assessments upon owners of estates passed by new sewers.** of the City of Newton Rev Ordinances, 2007, be amended to increase the fixed uniform rates assessed upon owners of all estates passed by new sewers to rates that more accurately represent the estimated average cost of installing such sewers. [03-07-11 @9:30 AM]

REFERRED TO PROG & SERV, PUBLIC FACIL. AND FINANCE COMMITTEES

- #367-10 HIS HONOR THE MAYOR requesting authorization to appropriate an amount not to exceed five million dollars (\$5,000,000) from bonded indebtedness for the following:
- (B) installation of up to six modular classrooms at five elementary schools as well as the addition of permanent classrooms and renovations to the core of F.A. Day Middle School. [11/29/10 @ 3:23 PM]
 - (A) \$75,000 for site plan work for 1 modular at Horace Mann, 2 at Zervas, and 1 at Burr was approved on December 20, 2010.
 - (B1) \$923,375 for installation of 4 modulares was approved on July 11, 2011
 - (B2A) \$86,545 for additional expenses related to the construction and installation of modular was approved on November 21, 2011.
 - (B2B) \$102,117 for design of sprinkler systems at three elementary schools was approved on November 21, 2011.
 - (B2C) Six hundred forty-three thousand five hundred dollars (\$643,500) of the remaining \$3,812,963 for the design and other related expenses associated with the building renovations to F.A. Day Middle School was approved on December 19, 2011.
- #367-10(B2)** – \$3,169,463 (remaining balance) for renovations to the core of F.A. Day Middle School and sprinkler systems.

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

- #311-10(A) HIS HONOR THE MAYOR requesting an appropriation in the amount of three million three hundred thirty-five thousand dollars (\$3,035,000) from bonded indebtedness for the purpose of funding the FY 2011 Capital Improvement Plan projects as follows: [11/29/ 10 @ 3:23 PM]
Architectural Design and Engineering/ Next Scheduled Fire Station \$400,000
A-2 - HELD 6-0 \$270,000 for final design bidding and construction admin on 12/08/10

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

CITY OF NEWTON, MASSACHUSETTS

MANAGEMENT LETTER

JUNE 30, 2011

To the Honorable Board of Aldermen and Mayor
City of Newton, Massachusetts

In planning and performing our audit of the financial statements of the City of Newton, Massachusetts (City) as of and for the year ended June 30, 2011, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and recommendations regarding those matters. This letter does not affect our report dated December 20, 2011, on the financial statements of the City.

The City's written responses to the matters identified in our audit have not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, the Audit Committee, the Board of Aldermen, Mayor, and others within the organization and should not be used by anyone other than these specified parties.

December 20, 2011

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CITY OF NEWTON, MASSACHUSETTS

MANAGEMENT LETTER

JUNE 30, 2011

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Comments and Recommendations

Water and Sewer Billings

Comment

Consistent with the prior years, we identified the following deficiencies related to the City's water and sewer billing system:

1. Many water and sewer bills continue to be based on estimates. We identified that some accounts had as many as 12 consecutive estimates and overall approximately 19% of users have multiple estimated bills.
2. Many (although a decrease from the prior year) water and sewer bills were based on "false reads", resulting from a faltering metering system.

Beginning in fiscal year 2010 and continuing in fiscal year 2011, the Water and Sewer Department continued to make a concerted effort to obtain actual readings on accounts that were based on estimates (beginning with accounts with the largest number of consecutive estimates) and accounts where readings appeared abnormal. As a result, the Water and Sewer Department issued approximately \$4,800,000 in abatements during fiscal year 2011, an increase of approximately \$1,500,000 from fiscal year 2010. The cause of a substantial amount of these abatements is as follows:

1. Overestimates (approximately \$4,080,000)
2. False readings (approximately \$369,000)

The installation of new meters and reading devices began in February 2010 and is expected to be completed by April 2012. As of June 30, 2011 approximately 50% of these new meters had been installed, but not necessarily functional. As part of our subsequent audit work, we identified that abatements totaling approximately \$473,000 had been granted for July and August 2011 billings, which is slightly more than the abated amount for the same period of the previous fiscal year by approximately \$41,000. It is imperative that accurate actual readings occur on all accounts at all times to properly bill customers for water and sewer use, which, under the current system, will require Water and Sewer personnel to manually obtain. The current meter reading system is ineffective and inefficient.

Recommendation

The City is currently in the process of replacing all of the City's meters and implementing a new metering process that will allow the City to remotely obtain a reading from City Hall at any point in time. The implementation of this new system should significantly reduce the need for substantial abatements (once the system is fully operational) since estimates will no longer be required and the ability to identify false readings will be enhanced. We recommend that the new metering system be implemented as soon as possible.

Management's Response

The City concurs that accurate and timely actual readings are needed for all water and sewer accounts. As relayed in the "Recommendation" section, the City is in the process of replacing all water meters and reading system to achieve this objective. The current schedule, as of late December, indicates that approximately 98% of the meters will be installed by mid-January, 2012. The remaining meters will be delayed due to coordination requirements with the residents, including the need to replace existing water service lines and other plumbing related issues. The meter contract requires that all meters be tested for accuracy prior to shipping. In addition,

the City conducted independent flow tests in December 2011 on selected new water meters. Thirty meters were tested, including meters that had been installed previously, some that were awaiting installation, and meters of various sizes. All meters met American Water Works Association standards for accuracy.

A recent review of the reading system indicated approximately 80% of the installed meters have been synchronized to the fixed network and are reporting actual consumption. The consumption for the remaining 20% is currently being obtained manually using a hand-held device until they can be synchronized to recently installed collectors. Full synchronization of all meters to the fixed network system is anticipated to be completed in fiscal year 2012.

The fixed network system will allow the City to transform the City's meter reading methods from reactive to proactive, with the new system regularly recording water use data to flag unusual water use patterns. The new reading technology will provide our water and sewer billing clerks with the prompt to reach out to high usage accounts and recommend issues be investigated. The City anticipates abatements will continue to be issued throughout the remainder of fiscal year 2012 with the final bills being issued on the old meters. Beginning in fiscal year 2013, the city anticipates all meters will be read remotely and bills will reflect actual water use.

Risk Assessment and Monitoring

Comment

When internal controls are *initially* implemented, they are usually designed to adequately safeguard assets. However, over time, these controls can become ineffective due to changes in technology, operations, etc. In addition, changes in personnel and structure, as well as the addition of new programs and services, can add risks that previously did not exist. As a result, all municipalities must periodically perform a risk assessment to anticipate, identify, analyze and manage the risk of asset misappropriation. Risk assessment (which includes fraud risk assessment), is one element of internal control.

The risk assessment should be performed by management-level employees who have extensive knowledge of the City's operations. Ordinarily, the management-level employees would conduct interviews or lead group discussions with personnel who have knowledge of the City's operations, its environment, and its processes. The risk assessment process should consider the City's vulnerability to misappropriation of assets. It should also address operations that involve heightened levels of risk. When conducting the assessment, the following questions should be considered:

- What assets are susceptible to misappropriation?
- What departments receive cash receipts?
- What departments have movable inventory?
- What operations are the most complex?
- How could assets be stolen?
- Are there any known internal control weaknesses that would allow misappropriation of assets to occur and remain undetected?
- How could potential misappropriation of assets be concealed?
- What prior internal control issues could still continue to be problematic?

Once the areas vulnerable to risks have been identified, a review of the City's systems, procedures, and existing controls related to these areas should be conducted. The City should consider what additional controls (if any) need to be implemented to reduce risk.

After risk has been assessed, periodic monitoring of the identified risk areas must be performed in order to evaluate the controls that have been implemented to mitigate the risks. Since control-related policies and procedures tend to deteriorate over time, the monitoring process ensures that controls are fully operational and effective.

Recommendation

We recommend management develop and implement a risk assessment program to periodically anticipate, identify, analyze, and manage the risk of asset misappropriation. The risk assessment program should be formally documented and become part of the City's financial policies and procedures manual.

We recommend management develop and implement a monitoring program to periodically evaluate the operational effectiveness of internal controls. The monitoring process should be documented in order to facilitate the evaluation of controls and to identify improvements that need to be made.

Management's Response

The City's Chief Financial Officer and Comptroller will work with the City's new Financial Audit Committee in developing a process for identifying risk exposures and monitoring the effectiveness of existing internal controls.

Newton Community Development Authority

Comment

The Newton Community Development Authority (NCDA) was established to develop housing programs for low and moderate income families and elderly and handicapped persons. The NCDA is a legally separate entity that is governed by the City's Director of Planning and Development and is reported as a discretely presented component unit in the City's financial statements. Prior to fiscal year 2011, the NCDA's day-to-day financial activities were accounted for separately from the City's accounting information system.

During fiscal year 2011, the NCDA's financial activities were transitioned to the City's accounting information system. We identified the following deficiencies regarding the transition:

1. There is currently no process in place to authorize, record and reconcile loan activity between the Department of Planning and Development and the Comptroller's Office
2. Loans receivable were not reconciled to detailed amortization schedules (by loan recipient) during the year
3. Outstanding loans receivable balances are currently maintained in Excel

Recommendation

We recommend that the City and the NCDA implement appropriate controls surrounding the authorization, recording and reconciliation of NCDA loan activity.

We recommend the City implement controls to reconcile loans receivable to detailed amortization schedules.

We recommend the City utilize loan amortization software to maintain the NCDA loans.

Management's Response

The Comptroller is working with the City's new Community Development Director to improve on-going communications between Community Development program staff and the Comptroller's Office so that loan activity will be recorded on a timely basis and detailed loan receivable records, maintained by Community Development staff, are reconciled to the City's general ledger on a regular basis. Loan receivable activity is currently only reconciled mid-year and at the end of the each fiscal year. The City is considering contracting with an outside party to review existing recordkeeping procedures; to recommend improvements; and to train program staff.

Police Details

Comment

The City currently has approximately \$125,000 of police detail accounts receivables that are greater than one-year old. The receivables greater than one-year old date as far back as March 2005. For financial reporting purposes, the City considers these amounts uncollectible.

A formal policy that addresses the actual "write-off" of uncollectible police detail accounts receivable would assist the City in maintaining a fair and accurate accounts receivable balance and, in turn, identify amounts that must be funded from the General Fund timely.

Recommendation

We recommend that the City develop and implement a formal policy regarding uncollectible police detail accounts receivable.

We also recommend the City evaluate the current billing and collection practices surrounding its police detail activities.

Management's Response

The Law Department is actively engaged in a multi-step process towards the collection of delinquent police detail accounts receivables. The City has been successful in recouping a large number of account receivables, as well as the costs associated with the collections process. Additionally, the Law Department is assisting the Police Department in the development of improved collection procedures. Such measures include a four-hour minimum deposit to be paid at the time of the detail request, a comprehensive application procedure, and improved record keeping.

Student Activity Funds

Comment

The City maintains student activity funds for several of its schools. Massachusetts General Laws (MGL) Chapter 71, Section 47, which establishes various guidelines related to student activity funds, states the following:

“There shall be an annual audit of the student activity funds which shall be conducted in accordance with procedures as agreed upon between the school committee and the auditor based upon guidelines issued by the department of education.”

An annual audit or agreed upon procedures is not being performed on the City’s student activity funds. Based upon the MGL requirement and the inherent risks associated with student activity funds, we believe that the performance of an audit or agreed-upon procedures on the City’s student activity funds would be prudent.

It should be noted that the City’s general fund does not necessarily have to bear the cost of the audit or agreed-upon procedures engagement, as these activities can be funded from student activity fund resources.

Recommendation

We recommend the City comply with the requirements of MGL Chapter 71, Section 47 by having an audit or agreed-upon procedures performed on the student activity funds.

Management’s Response

There are agreed-upon written procedures in place for Student Activity Funds of the Newton Public Schools. A representative of the School Business Office annually reviews certain Student Activity accounts for compliance with the agreed-upon procedures and targets one of the two high schools, two of the four middle schools; or three of the elementary schools. These procedures, developed by the Deputy Superintendent/Chief Administrative Officer, in conjunction with the Director of Business Services and the Director of Finance, insure reconciliation of each school’s checking account and fund balance records to the City’s Agency Fund general ledger control account and that revenues and expenditures flowing thru the Student Activity accounts are solely for purposes of student related goods and services

At present, fifteen of the City’s twenty-one schools have Student Activity Funds. The remaining six schools provide for student activities in conjunction with PTO’s.

Unclaimed Checks

Comment

At June 30, 2011, the City's general ledger reports a liability for unclaimed checks totaling approximately \$505,000. However, a current list of check numbers, check dates, payee names, address and related amounts that support the amount reported on the general ledger was not provided to us. This information (identified above) is critical when following up and resolving unclaimed check amounts.

Recommendation

We recommend that the Treasurer/Collector's office investigate and identify the check numbers, check dates, payee names and related amounts that reconcile to the balance reported on the general ledger.

We recommend that the Treasurer/Collector's office implement procedures to investigate and resolve the unclaimed check amounts.

Management's Response

Supporting information for unclaimed checks was available but not centralized at the time of the audit. A file containing supporting information is now available and will be maintained in the future. Additionally, unclaimed checks will be posted to the city's website together with the instructions and the form needed to claim the funds.

Old Outstanding Checks

Comment

The vendor and payroll outstanding checklists maintained by the Treasurer include many checks greater than three (3) months old totaling approximately \$259,000. Typically, checks greater than three (3) months old reflect checks that have been void, lost, misplaced or stolen.

Recommendation

We recommend that the Treasurer/Collector's office implement monthly procedures to investigate and resolve outstanding checks greater than three (3) months old. Implementation of this recommendation will strengthen internal controls over cash disbursements.

Management's Response

Treasury continues its efforts to address this issue. The process has been hampered largely due to procedural issues. It is the policy of the bank that provides the City's vendor and payroll processing to include stop payments on its outstanding list for a period of not less than six (6) months. After this time, the check is again presented to the city as a "positive pay" item. Treasury deems this system to be unacceptable, and has been working with the bank to develop new procedures involving alteration of their system as it applies to Newton. Successful efforts to date include the regular issuance of a "Stale Dated Check Report" by the bank. Additional internal actions taken by Treasury include working with the IT Department to match the check information to names and addresses in the City's records. Treasury will review the "Stale Dated Check Report" monthly to identify and to clear items as they appear. Also, outstanding checks will be posted on the City's website.

Bank Account Reconciliations

Comment

We identified several instances where reconciling items identified on *individual bank account reconciliations* were not clearly described and the documentation supporting the reconciling items was not readily available. Bank reconciliations should clearly describe reconciling items and provide a clear audit trail to documentation supporting such items.

Recommendation

We recommend that all bank reconciliations clearly describe the reconciling items that provide a clear audit trail to the documentation supporting the amounts.

Management's Response

While effort is made to identify every reconciling item at least generally, some items may have appeared to be unidentified or inadequately identified. The reason the individual accounts appear this way involves a combination of factors including timeliness in completing the reconciliation; the nature of a particular account; the nature of a particular item; whether or not supporting information is readily available elsewhere; and whether the item was a known or recurring item. For example, a 457 Plan wire for a recurring amount that will be matched to a warrant or statement within a short period is listed in a particular section of the recon, but may not have the specific vendor name listed. Effort will be made to insure that future reconciliations clearly describe each item and its source.

Financial Policies and Procedures Manual

Comment

Although the City adopted top level financial policies during fiscal year 2008, we believe that preparation of a formal policy and procedures manual would improve and standardize the City's financial policies and procedures. Without formalized written policies and procedures, the City is inherently subject to everyday inconsistencies in its operations. It is also difficult to measure performance and efficiencies without a baseline. The number of such inconsistencies can be minimized by the written codification of policies and procedures and insistence on adherence to them.

Such a manual should include policies and procedures relative to all financial functions and processes, including, but not limited to, the following:

- Cash receipts
- Purchase orders
- Cash disbursements
 - Payroll
 - Vendor
- Administration of grants
- Administration of student activity funds
- Personnel (i.e., hiring, payroll and related changes, etc.)
- Month-end and year-end closing procedures

The manual should also clearly define the objectives, responsibilities and authorizations for all employees/job positions.

The use of written policies, procedures, and job descriptions in conjunction with specific assignment of responsibilities would increase supervisory personnel's effectiveness. Such written documents would decrease the time spent on supervision of clerical personnel and in attempts to define job responsibilities on each occasion of employee turnover.

Recommendation

We recommend the City develop and implement a financial policies and procedures manual.

Management's Response

The City's Chief Financial Officer and Comptroller will work with the City's new Financial Audit Committee to develop a plan for better documentation of the City's policies and procedures. It is expected that this will be done in conjunction with the development of a risk assessment and monitoring plan.

Disaster Recovery Plan

Comment

The City has a documented disaster recovery plan that addresses its financial data and related software. However, the plan does not address the hardware required to access the data or the location(s) to operate the hardware. Therefore, in the event of a disaster, the City's financial data and software could be recovered, but the City may not have the ability to physically run the software and access the financial data to maintain financial operations.

Recommendation

We recommend management update the current disaster recovery plan by addressing the hardware requirements to access the financial data and the location(s) to operate the hardware.

Management's Response

The City has acquired a back-up server that will be located at a secure, primary remote site that is attached to the City's network. This server will be powered off and used only for quarterly testing and for actual emergencies. Documentation, tape drives, spare checks and cabling will be stored with the unit at the secure off-site location.

Test Database

Comment

The City currently utilizes one test database related to its accounting information system. We identified that the test database was utilized for a significant portion of fiscal year 2011 for an ongoing project whereby the test database could not be used for any other purpose. As a result, new processes and/or applications could not be tested, which potentially could have resulted in increased efficiencies and/or effectiveness of the City's financial processes and reporting.

Recommendation

We recommend that the City have access to multiple test databases associated with its accounting information system.

Management's Response

The fact that the City's test data base was essentially locked for an extended project is an anomaly that we do not anticipate happening again. With this hindsight, the City's IT Department will not commit to any exclusionary use that prevents proper use of the test data base by all users.

CITY OF NEWTON, MASSACHUSETTS

**REPORTS ON INTERNAL CONTROL OVER
FINANCIAL REPORTING, COMPLIANCE AND
FEDERAL AWARD PROGRAMS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

CITY OF NEWTON, MASSACHUSETTS
REPORTS ON INTERNAL CONTROL OVER
FINANCIAL REPORTING, COMPLIANCE AND
FEDERAL AWARD PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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**Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance with
*Government Auditing Standards***

To the Honorable Board of Aldermen and Mayor
City of Newton, Massachusetts

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Newton, Massachusetts, as of and for the fiscal year ended June 30, 2011 (except for the Newton Contributory Retirement System, the Newton Commonwealth Foundation, Inc., and the Newton Community Farm, Inc., which are as of and for the fiscal year ended December 31, 2010), which collectively comprise the City of Newton, Massachusetts' basic financial statements and have issued our report thereon dated December 20, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Newton, Massachusetts' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Newton, Massachusetts' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Newton, Massachusetts' internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Newton, Massachusetts' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the City of Newton, Massachusetts, in a separate letter dated December 20, 2011.

This report is intended solely for the information and use of management, the Audit Committee, the Board of Aldermen, Mayor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

December 20, 2011

Independent Auditors' Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

To the Honorable Board of Aldermen and Mayor
City of Newton, Massachusetts

Compliance

We have audited the compliance of the City of Newton, Massachusetts (City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2011. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 11-3, 11-4, 11-8, 11-9, and 11-10.

Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 11-1, 11-2, 11-5, 11-6, and 11-7 to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Newton, Massachusetts, as of and for the fiscal year ended June 30, 2011 (except for the Newton Contributory Retirement System, the Newton Commonwealth Foundation, Inc., and the Newton Community Farm, Inc., which are as of and for the fiscal year ended December 31, 2010), and have issued our report thereon dated December 20, 2011, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the Audit Committee, the Board of Aldermen, Mayor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

December 20, 2011

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Federal Grantor/ Pass-Through Grantor/ Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
<u>Passed through the State Department of Education:</u>			
Food Distribution Program	10.550	09-207	\$ 78,052
<i>Child Nutrition Cluster</i>			
School Breakfast Program	10.553	09-207	19,822
National School Lunch Program	10.555	09-207	442,773
Total U.S. Department of Agriculture			540,647
U.S. Department of Housing and Urban Development			
<u>Direct Programs:</u>			
<i>CDBG - Entitlement Grants Cluster</i>			
Community Development Block Grant	14.218	Not Applicable	1,848,838
Community Development Block Grant Recovery (CDBG-R)	14.253	Not Applicable	554,064
<i>Emergency Shelter Grants Program</i>			
HOME Investment Partnerships Program	14.231	Not Applicable	99,963
HOME Investment Partnerships Program	14.239	Not Applicable	2,301,603
Homelessness Prevention and Rapid Re-housing Program (HPRP)	14.257	Not Applicable	540,263
Total U.S. Department of Housing and Urban Development			5,344,731
U.S. Department of Justice			
<u>Direct Programs:</u>			
Juvenile Mentoring Program	16.726	Not Applicable	45,881
DEA Asset Forfeitures	16.unk	Not Applicable	33,130
DEA Support Overtime Reimbursements	16.unk	Not Applicable	3,796
<u>Passed through the State Executive Office of Public Safety:</u>			
Enforcing Underage Drinking Laws Program	16.727	Not available	3,927
Total U.S. Department of Justice			86,734
Institute of Museum and Library Services			
<u>Passed through the State Library Board of Commissioners:</u>			
Library Services and Technology Grant	45.310	Not available	21,009
U.S. Department of Energy			
<u>Direct Program:</u>			
ARRA - Energy Efficiency and Conservation Block Grant	81.128	Not Applicable	578,571

(continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Federal Grantor/ Pass-Through Grantor/ Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
<u>Direct Programs:</u>			
Safe Schools/Healthy Students Grant	84.184L	Not Applicable	1,427,351
School Counseling Demonstration Grant	84.215E	Not Applicable	40,852
Physical Education Grant	84.215F	Not Applicable	240,100
Teaching American History Grant	84.215X	Not Applicable	312,754
<u>Passed through the State Department of Elementary & Secondary Education:</u>			
<i>Title I, Part A Cluster</i>			
Title I Distribution (fiscal year 2010)	84.010	305-108-0-0207-K	38,958
Title I Distribution (fiscal year 2011)	84.010	305-063-1-0207-L	332,123
Title I Carryover Grant (fiscal year 2010)	84.010	305-379-0-0207-K	99,894
Title I Carryover Grant (fiscal year 2011)	84.010	305-441-1-0207-L	502
<i>Special Education Cluster</i>			
SPED 94-142 Allocation (fiscal year 2010)	84.027	240-081-0-0207-K	22,221
SPED 94-142 Allocation (fiscal year 2011)	84.027	240-066-1-0207-L	2,966,860
SPED - Tiered Instruction (fiscal year 2011)	84.027	257-009-1-0207-L	25,000
ARRA - SPED IDEA (fiscal year 2010)	84.391	760-066-0-0207-K	17,908
ARRA - SPED IDEA (fiscal year 2011)	84.391	760-041-1-0207-L	1,817,920
<u>Passed through the State Department of Early Education and Care:</u>			
SPED Early Childhood Training (fiscal year 2010)	84.173	26210 NEWTONPUBLICSCH	1,159
SPED Early Childhood Training (fiscal year 2011)	84.173	26211 NEWTONPUBLICSCH	69,136
ARRA - Early Childhood Allocation (fiscal year 2010)	84.392	76210 NEWTONPUBLICSCH	837
ARRA - Early Childhood Allocation (fiscal year 2011)	84.392	76211 NEWTONPUBLICSCH	66,709
<u>Passed through the State Department of Elementary & Secondary Education:</u>			
Carl Perkins Occupational Education (fiscal year 2010)	84.048	400-022-0-0207-K	45,927
Carl Perkins Occupational Education (fiscal year 2011)	84.048	400-012-1-0207-L	78,435
Safe and Drug-Free Schools (fiscal year 2010)	84.186	331-108-0-0207-K	2,162
Safe and Drug-Free Schools - CII (fiscal year 2011)	84.186	332-022-1-0207-L	11,671
Technical Literacy Grant (fiscal year 2010)	84.318	160-023-0-0207-K	7,526
Title III - English Language Acquisition (fiscal year 2010)	84.365	180-042-0-0207-K	17,180
Title III - English Language Acquisition (fiscal year 2011)	84.365	180-001-1-0207-L	125,530
Title IIA - Improving Teacher Quality (fiscal year 2010)	84.367	140-070-0-0207-K	58,372
Title IIA - Improving Teacher Quality (fiscal year 2011)	84.367	140-181-1-0207-L	212,448
ARRA - State Fiscal Stabilization Fund (SFSF)	84.394	780-192-1-0207-L	71,634
ARRA - Education Jobs Grant	84.410	206-056-1-0207-L	189,402
Total U.S. Department of Education			8,300,571

(continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

<u>Federal Grantor/ Pass-Through Grantor/ Program</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services			
<u>Passed through the State Executive Office of Health and Human Services Department of Public Health:</u>			
Public Health Emergency Response (PHER) Grants	93.069	INTF3202P01900419059	5,500
School-Based Medicaid Reimbursement Program	93.778	1951726	338,067
<u>Passed through the State Department Office of Elderly Affairs:</u>			
Title IIIB - Grants for Supportive Services and Senior Centers	93.044	Not available	3,333
<u>Passed through the State Department of Fire Services:</u>			
DFS Bioterrorism First Responder Liason Grants	93.283	DFS 2008BHAZMATRESPGRANT	19,364
Total U.S. Department of Health and Human Services			<u>366,264</u>
Corporation for National and Community Service			
<u>Passed through the State Department of Elementary & Secondary Education:</u>			
Learn and Serve Grant (fiscal year 2010)	94.004	354-023-0-0207-K	1,200
U.S. Department of Homeland Security			
<u>Direct Program:</u>			
Assistance to Firefighters Grant	97.044	Not Applicable	30,769
<u>Passed through the State Office of Emergency Management:</u>			
Public Assistance Grants	97.036	CDA CTFEMA1895NEWTON	280,076
Citizen Corps/Community Emergency Grant	97.053	CDA 11CCP07080NEWTONVIPS	6,290
<u>Passed through the State Executive Office of Public Safety:</u>			
Buffer Zone Protection Grant	97.078	Not Available	49,462
Total U.S. Department of Homeland Security			<u>366,597</u>
Total			<u>\$ 15,606,324</u>
			(concluded)

See notes to schedule of expenditures of federal awards.

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Newton, Massachusetts and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 2 - U.S. Department of Agriculture

The amount reported for the Food Distribution Program represents non-monetary assistance and is reported in the schedule at the fair market value of the commodities received. The amounts reported for the School Breakfast Program and National School Lunch Program represent cash receipts from federal reimbursements.

Note 3 - U.S. Department of Health and Human Services

The amount reported for the School-Based Medicaid Reimbursement Program represents federal reimbursements related to the Administrative Activity Claims.

Note 4 - Sub-recipients

The City of Newton, Massachusetts provided the following awards to sub-recipients for the fiscal year ended June 30, 2011:

Program Description	CFDA Number	Amount
Community Development Block Grant	14.218	\$ 407,952
Emergency Shelter Grants Program	14.231	99,963
Homelessness Prevention and Rapid Re-housing Program (HPRP)	14.257	540,263
Safe Schools - Healthy Students Grant	84.184L	381,223
Total		\$ <u>1,429,401</u>

A. Summary of Auditors' Results

1. The auditors' report expresses an unqualified opinion on the financial statements of the City of Newton, Massachusetts.
2. There were no significant deficiencies disclosed during the audit of the basic financial statements.
3. No instances of noncompliance material to the financial statements of the City of Newton, Massachusetts, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. Material weaknesses in internal control over major federal award programs disclosed during the audit are reported in the Independent Auditors' Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for the City of Newton, Massachusetts expresses an unqualified opinion on all major federal award programs.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this schedule on pages 12-16.

7. The programs tested as major programs were:

Program Description	CFDA Number
<i>Child Nutrition Cluster</i>	
School Breakfast Program	10.553
National School Lunch Program	10.555
<i>CDBG - Entitlement Grants Cluster</i>	
Community Development Block Grant	14.218
Community Development Block Grant - Recovery (CDBG-R)	14.253
HOME Investment Partnerships Program	14.239
Homelessness Prevention and Rapid Re-housing Program (HPRP)	14.257
ARRA - Energy Efficiency and Conservation Block Grant	81.128
<i>Title I, Part A Cluster</i>	
Title I Distribution	84.010
Title I Carryover Grant	84.010
<i>Special Education Cluster</i>	
SPED 94-142 Allocation	84.027
SPED - Tiered Instruction	84.027
SPED Early Childhood Training	84.173
ARRA - SPED IDEA	84.391
ARRA - Early Childhood Allocation	84.392
ARRA - Education Jobs Grant	84.410

8. The threshold used for distinguishing between Type A and B programs was \$468,190.

9. The City of Newton, Massachusetts did not qualify as a low-risk auditee.

B. Findings - Financial Statement Audit

None.

C. Findings and Questioned Costs – Major Federal Award Programs Audit**DEPARTMENT OF AGRICULTURE***Material Weaknesses in the Internal Control over Major Programs*

11-1 Child Nutrition Cluster – CFDA No.'s 10.553 and 10.555; Fiscal year ended June 30, 2011

Condition and Criteria: There was no evidence to support that the Food Services Director (or other supervisory personnel) reviewed and approved the claims for reimbursement and supporting documentation (i.e., "FP-9 Forms" and daily lunch records) prior to submission to the Massachusetts Department of Elementary and Secondary Education (DESE).

Cause: Internal controls are not in place to ensure that all the claims for reimbursement are reviewed for allowability and accuracy.

Effect: Noncompliance with the federal award program's allowable costs/cost principles requirements could occur and not be detected and corrected timely.

Auditors' Recommendation: Internal controls surrounding the federal award program must be implemented to ensure that the claims for reimbursement and supporting documentation are reviewed by the Food Services Director, or other supervisory official, prior to submission to the DESE. Controls should also be implemented to document the review procedures and authorization of the claims.

Grantee Response: The Chief of Operations for the Newton Public Schools reviews and approves claims for reimbursement as well as supporting documentation, including FP-9 forms and daily lunch records. Upon completion of the review, the Chief of Operations submits these records to the Massachusetts Department of Elementary and Secondary Education for monthly reimbursement. A formal record of the Chief of Operation's approval will be retained for future reference.

11-2 Child Nutrition Cluster – CFDA No.'s 10.553 and 10.555; Fiscal year ended June 30, 2011

Condition and Criteria: The City did not comply with the reporting and allowable costs/cost principles compliance requirements related to the program.

Cause: Internal controls are not in place to include only credible lunches in the claims for reimbursement submitted to the DESE.

Effect: Noncompliance with the federal award program's reporting and allowable costs/cost principles compliance requirements could occur and not be detected and corrected timely.

Auditors' Recommendation: Internal controls surrounding the federal award program must be implemented to ensure that the meal counts reported in the claims for reimbursement are only for allowable lunches.

Grantee Response: As of July 1, 2011, Whitsons New England, Inc., the City's food services management company, has installed a point-of-sale system which captures the data on every meal to determine eligibility for reimbursement.

Noncompliance Related to Major Programs

11-3 Child Nutrition Cluster – CFDA No.'s 10.553 and 10.555; Fiscal year ended June 30, 2011

Condition and Criteria: Program management reports all lunches served in the claims for reimbursement submitted to the DESE, even if they do not contain the required nutrient levels and components. As stated in 7 CFR 210.10, all lunches served must (1) contain a variety of foods, (2) limit fat to 30% of total calories, (3) limit saturated fat to less than 10% of total calories, (4) be low in cholesterol (5) be low in salt and sodium, and (6) contain grain products, vegetables and fruits. We observed approximately ten instances whereby the lunches served to students and included in the daily meal counts for reimbursement did not conform to these required nutrient standards.

Cause: Procedures are not in place to remove the lunches missing required components from the meal counts reported in the claims for reimbursement.

Effect: The lunches served without all the required components are not reimbursable.

Questioned Costs: We were unable to quantify the questioned costs related to this finding.

Auditors' Recommendation: Procedures must be implemented to ensure that only allowable lunches with all the required components and nutrients are included in the meal counts reported in the claims for reimbursement submitted to the DESE.

Grantee Response: As of July 1, 2011, Whitsons New England, Inc., the City's food services management company, has installed a point-of-sale system which captures the data on every meal to determine eligibility for reimbursement.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT*Noncompliance Related to Major Programs*

11-4 HOME Investment Partnerships Program – CFDA No. 14.239; Fiscal year ended June 30, 2011

Condition and Criteria: One of the members of the West Metro HOME Consortium, the City of Waltham, did not comply with MGL Chapter 30, Section B (Uniform Procurement Act) when procuring construction services from one of the grant program's vendors. The state procurement standards for municipalities outlined in MGL Chapter 30, Section B (Uniform Procurement Act) are more stringent than the relevant federal standards. Therefore, grantees are required to follow state procurement policies when procuring goods and services related to federal grants.

Cause: Procedures are not in place to adhere to the MGL Chapter 30, Section B (Uniform Procurement Act) requirements when procuring all services related to the federal grant program.

Effect: Program management is not in compliance with federal grant procurement requirements.

Questioned Costs: There are no questioned costs related to this finding.

Auditors' Recommendation: Procedures must be implemented to ensure that MGL Chapter 30, Section B (Uniform Procurement Act) requirements are adhered to and that formal advertising is used to solicit open competition when procuring all contractual services related to the federal grants.

Grantee Response: The City of Waltham has been notified of this finding and the City's Director of Planning and Development has developed a remediation plan, including the following elements:

- CH 30B procurement obligations will be highlighted in the City of Waltham's HOME program regulation manuals.
- A mandatory review of CH 30B procurement procedures will be held for all Housing staff and copies of CH 30B will be provided to each staff member.
- Program applicants and contractor applications will include the requirement to use CH 30B procedures.
- Recordkeeping, consistent with CH 30B, will be retained on file and be accessible in the Planning Department, Housing Division Office.

DEPARTMENT OF ENERGY

Material Weaknesses in the Internal Control over Major Programs

11-5 ARRA - Energy Efficiency and Conservation Block Grant Program - CFDA No. 81.128;
Fiscal year ended June 30, 2011

Condition and Criteria: The City did not maintain copies of the payment requests submitted to the Department of Energy (DOE) or documentation supporting them.

Cause: Internal controls are not in place to maintain the reports and accounting records supporting them.

Effect: Noncompliance with the federal award program's cash management and reporting compliance requirements could occur and not be detected and corrected timely.

Auditors' Recommendation: Internal controls surrounding the federal award program must be implemented to maintain the payment requests submitted to the DOE as well as the related supporting documentation.

Grantee Response: The Public Buildings Department will obtain duplicate copies of all payment requests and supporting materials from the U.S Department of Energy.

11-6 ARRA - Energy Efficiency and Conservation Block Grant Program - CFDA No. 81.128;
Fiscal year ended June 30, 2011

Condition and Criteria: The City did not comply with the reporting compliance requirements related to the program.

Cause: Internal controls are not in place to prepare the financial reports submitted to the DOE based upon the activity recorded in the general ledger.

Effect: Noncompliance with the federal award program's reporting compliance requirements could occur and not be detected and corrected timely.

Auditors' Recommendation: Procedures must be implemented to reconcile all financial reports to the City's general ledger prior to submission. Controls should also be implemented to ensure that the financial reports are reviewed for accuracy and approved by the City Comptroller's office prior to submission.

Grantee Response: All future reporting to the US Department of Energy will be submitted to the Comptroller's Office for reconciliation to the City's general ledger prior to submission to the federal agency. Both the Public Building Department and Comptroller's Office will retain copies of the reports filed with the U.S Department of Energy.

- 11-7 ARRA - Energy Efficiency and Conservation Block Grant Program – CFDA No. 81.128;
Fiscal year ended June 30, 2011

Condition and Criteria: The City did not comply with the equipment and real property management compliance requirements related to the program.

Cause: Internal controls are not in place to segregate the equipment in the City's inventory records and to identify it as being funded from ARRA funds.

Effect: Noncompliance with the federal award program's equipment and real property management compliance requirements could occur and not be detected and corrected timely.

Auditors' Recommendation: Internal controls surrounding the federal award program must be implemented to ensure that the equipment purchased with the grant funds is properly identified as being funded from the ARRA Grant funds in the City's inventory records.

Grantee Response: The City viewed the public building energy conservation activities funded by this grant as building improvements, instead of equipment purchases. All energy conservation equipment (i.e., boilers and burners) will be reclassified as equipment in the City's capital asset records and will be labeled as required by federal requirements. Additionally, the Comptroller's Office will begin maintaining a record of all equipment (movable and non-movable) with a value of \$5,000 that has been acquired with federal funds. A separate accounting is necessary because the City's equipment capitalization policy is limited to movable capital equipment with a value of \$15,000 or more.

Noncompliance Related to Major Programs

- 11-8 ARRA - Energy Efficiency and Conservation Block Grant Program – CFDA No. 81.128;
Fiscal year ended June 30, 2011

Condition and Criteria: Program management did not maintain copies of the payment requests submitted to the DOE or documentation supporting them.

Cause: Procedures are not in place to maintain the required reports and supporting documentation.

Effect: As a result of the required documentation not being maintained, we could not verify the City's compliance with the federal grant cash management requirements.

Questioned Costs: There are no questioned costs related to this finding.

Auditors' Recommendation: Procedures must be implemented to ensure that the required payment requests and supporting documentation are maintained to support the City's compliance with the grant's cash management requirements.

Grantee Response: The Public Buildings Department will obtain duplicate copies of all payment requests and supporting materials from the U.S Department of Energy.

- 11-9 ARRA - Energy Efficiency and Conservation Block Grant Program – CFDA No. 81.128;
Fiscal year ended June 30, 2011

Condition and Criteria: The financial reports submitted to the DOE were not completed based upon expenditures processed and recorded in the City's general ledger and, therefore, did not represent an accurate, current and complete disclosure of financial results.

Cause: Policies and procedures are not in place to reconcile the financial reports to the City's general ledger prior to submission.

Effect: Program management is not in compliance with federal grant reporting requirements.

Questioned Costs: There are no questioned costs related to this finding.

Auditors' Recommendation: Procedures must be implemented to ensure that the financial reports are reconciled to the general ledger prior to submission and represent accurate information.

Grantee Response: All future reporting to the US Department of Energy will be submitted to the Comptroller's Office for reconciliation to the City's general ledger prior to submission to the federal agency. Both the Public Building Department and Comptroller's Office will retain copies of the reports filed with the U.S Department of Energy.

- 11-10 ARRA - Energy Efficiency and Conservation Block Grant Program – CFDA No. 81.128;
Fiscal year ended June 30, 2011

Condition and Criteria: The equipment purchased with the federal ARRA Grant funds is not segregated in the City's inventory listing and labeled as ARRA Grant funded equipment.

Cause: Procedures are not in place to properly account for the equipment purchased with the ARRA Grant funds in the City's inventory records.

Effect: Program management is not in compliance with the federal grant equipment and real property management requirements.

Questioned Costs: There are no questioned costs related to this finding.

Auditors' Recommendation: Procedures must be implemented to ensure that the equipment with a per-unit cost of \$5,000 or more purchased with federal ARRA grant funds are segregated in the City's inventory listing and identified as ARRA funded equipment.

Grantee Response: The City viewed the public building energy conservation activities funded by this grant as building improvements, instead of equipment purchases. All energy conservation equipment (i.e., boilers and burners) will be reclassified as equipment in the City's capital asset records and will be labeled as required by federal requirements. Additionally, the Comptroller's Office will begin maintaining a record of all equipment (movable and non-movable) with a value of \$5,000 that has been acquired with federal funds. A separate accounting is necessary because the City's equipment capitalization policy is limited to movable capital equipment with a value of \$15,000 or more.

D. Summary of Prior Audit Findings**MAJOR FEDERAL AWARD PROGRAMS AUDIT****Department of Housing and Urban Development***Material Weakness in the Internal Control over Major Programs*

- 10-1 HOME Investment Partnerships Program – CFDA No. 14.239; Fiscal year ended June 30, 2010

Condition: The City did not comply with the eligibility and program income compliance requirements related to the program.

Current Status: This finding has been resolved.

Material Noncompliance Related to Major Programs

- 10-2 HOME Investment Partnerships Program – CFDA No. 14.239; Fiscal year ended June 30, 2010

Condition: Two of the 19 participants tested who received HOME grant subsidies during the fiscal year were not income eligible to receive HOME grant funding based on the income documentation provided.

Current Status: This finding has been resolved.

- 10-3 HOME Investment Partnerships Program – CFDA No. 14.239; Fiscal year ended June 30, 2010

Condition: Program management did not enter the program income into the U.S. Department of Housing and Urban Development's Integrated Disbursement and Information System (IDIS) timely. As a result, there were several instances where the program income was not applied against the grant expenses prior to drawing down additional Federal funds. Additionally, there were several instances where program income earned by HOME Consortium members was reserved for the applicable member's expenses rather than being used to cover other total program expenses.

Current Status: This finding has been resolved.

Other Noncompliance Related to Major Programs

- 10-4 HOME Investment Partnerships Program – CFDA No. 14.239; Fiscal year ended June 30, 2010

Condition: Program management provided Federal funds to a first-time homebuyer for down payment assistance (\$49,470), which was subsequently cancelled (i.e., repaid). Federal guidelines require that repayments be made to whichever HOME account they were drawn from and be used for the next eligible HOME project. Program management held onto the repayments and did not use them to reduce the subsequent eligible drawdowns.

Current Status: This finding has been resolved.

- 10-5 Community Development Block Grant – Entitlement Grants Cluster – CFDA No.’s 14.218 and 14.253; Fiscal year ended June 30, 2010

Condition: Program management did not file the required quarterly “SF-272, Federal Cash Transaction Reports” with the U.S. Department of Housing and Urban Development during the program year for the Community Development Block Grant Recovery (CDBG-R) program.

Current Status: This finding has been resolved.

- 10-6 Homelessness Prevention and Rapid Re-housing Program (HPRP) – CFDA No. 14.257; Fiscal year ended June 30, 2010

Condition: Program management did not file the required quarterly “SF-272, Federal Cash Transaction Reports” with the U.S. Department of Housing and Urban Development during the program year.

Current Status: This finding has been resolved.

Department of Education

Material Weakness in the Internal Control over Major Programs

- 10-7 Special Education Cluster – CFDA No.’s 84.027, 84.173, 84.391, and 84.392; Fiscal year ended June 30, 2010

Condition: The City did not comply with the Davis-Bacon Act compliance requirements related to the program.

Current Status: This finding has been resolved.

Noncompliance Related to Major Programs

- 10-8 Special Education Cluster – CFDA No.’s 84.027, 84.173, 84.391, and 84.392; Fiscal year ended June 30, 2010

Condition: Program management did not obtain the required certified payrolls from the vendors contracted with for the construction projects funded with the Federal grant funds, and therefore did not verify that the employees were being paid in accordance with the applicable prevailing wage rates.

Current Status: This finding has been resolved.



SETTI D. WARREN
MAYOR

City of Newton, Massachusetts
Office of the Mayor

#364-10(2)

Telephone
(617) 796-1100

Facsimile
(617) 796-1113

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(617) 796-1089

E-mail
swarren@newtonma.gov

January 30, 2012

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

RECEIVED
Newton City Clerk
2012 JAN 30 PM 4: 18
David A. Olson, CMC
Newton, MA 02459

Ladies and Gentlemen:

I write to request that your Honorable Board docket for consideration a request to appropriate the sum of \$74,503 from the Capital Stabilization Fund – Designated for Ordinary Capital Funding to supplement *Docket #364-10 HIS HONOR THE MAYOR requesting authorization to appropriate and expend the sum of one hundred eighteen thousand five hundred dollars (\$118,500) from the Reserve for Debt Funded Projects for the purpose of creating a secure entrance in the Police Department lobby. [11/29/10 @ 3:23 PM].*

The cost increase is based on a change in scope of the project to use a higher level bulletproof glass and the reinforced wall system required with such.

Thank you for your consideration of this matter.

Very truly yours,

Setti D. Warren
Mayor

1000 Commonwealth Avenue Newton, Massachusetts 02459

www.newtonma.gov



DEDICATED TO COMMUNITY EXCELLENCE



PUBLIC BUILDINGS DEPARTMENT

Stephanie Kane Gilman, 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

January 25, 2012

Mayor Setti D. Warren
Newton City Hall
1000 Commonwealth Avenue
Newton Centre, MA 02459

Re: Additional funding request for the Police Lobby Security Project

Dear Mayor Warren:

The Public Buildings Department requests an additional \$74,503.00 to supplement the \$118,500.00 approved in docket item 364-10 to complete the Police Headquarters Lobby Security Project. The cost increase is based on the high material price associated with the level 4 bulletproof glass. Additionally the level 4 glass is extremely heavy, and therefore requires a much stronger wall system, which impacts the accessibility improvements.

Sincerely,

Stephanie Kane Gilman
Public Building Commissioner

CC: Robert Rooney, Chief Operations Officer
Maureen Lemieux, Chief Financial Officer

Police Lobby Security Renovation

Docket item 364-10:

The Police Lobby Security Renovation has been completely designed and is ready to go to bid. The cost estimates are above the \$118,500.00 that was initially appropriated. An additional \$74,503.00 is needed to fully fund the project.

The increased cost is due to a number of factors, but they are all based on the need to install level 4 ballistic glass. Level 3 ballistic glass is the most common application for Police Stations in this area. However, many of these stations were built before the tragic events of 9/11, and since then the way we approach security has dramatically changed. Level 3 will stop a standard handgun, but it will not stop a rifle. Level 4 glass will stop rounds up to and including 30 caliber. This also happens to be the caliber that is most common in hunting rifles. That said, the big concern with using level 3 glass is the ease at which one can obtain a gun that can pass through the glass.

Level 4 glass is not only much more expensive, but it's much heavier than level three glass. This means that the entire support structure not only needs to be rated at level 4, but it also must support the weight of the glass and framework. This also means that the inner door in the lobby must be rated at level 4. That means that the handicap door operator must be able to handle the extremely heavy door.

Due to all of the above, the cost is higher than anticipated. The Police Chief strongly supports this initiative, in the manner in which we are proposing.

Regards,

Josh Morse

Director of Operations

Public Buildings Department

Police Lobby Cost Breakdown

Design	\$33,925.00
Construction Estimate	\$159,078.00
Total	\$193,003.00
Budget	\$118,500.00
Additional Funding	\$74,503.00

City of Newton
Police Station Lobby/Entry Renovations

October 27, 2011 Cost Estimate

Prepared for:

Goldman Reindorf Architects
427 Watertown Street
Newton, Ma 02458

Prepared by:



319 Littleton Road
Suite 106A
Westford, MA 01886
phone 978-496-1139 . fax 978-719-6522
www.tortoraconsulting.com

October 27, 2011



Mitch Goldman
Goldman Reindorf Architects
427 Watertown Street
Newton, Ma 02458

Mitch,

Please find enclosed our construction cost estimates for the above project. The estimates include direct construction costs, contractor general conditions, overhead and profit.

Summary of Construction Costs

Current Construction Cost

\$159,078

If you have any questions and require further analysis, please do not hesitate to contact me.

Regards,

Tortora Consulting, Inc.

Gerry Tortora

City of Newton
Police Station Lobby/Entry Renovations
October 27, 2011 Cost Estimate



Qualifications and Assumptions

Introduction

This Cost Estimate was produced from drawings and specifications received 10-25-11 by GRA.

Basis For Pricing

Prices are based upon current prevailing wage rates and material and equipment costs.

Our costs assume chapter 149 bidding laws.

Items Excluded From This Estimate

Loose furnishings and equipment.
 Design fees and other soft costs.
 Owner's project administration.
 Legal fees.
 Builder's risk insurance
 Construction contingency (for change orders).
 Interest expense.
 Printing and advertising.
 Moving and storage expense.
 Mold remediation
 Asbestos
 Furniture systems
 Security equipment and devices
 Tel/Data equipment and devices

Markups:

Estimating and Design contingency is carried
 Contractor's General Conditions have not been carried
 Contractor's OH & Profit have not been carried
 Sub and Contractor's Bond have not been carried
 Escalation is not carried

Recommendations For Cost Control

TCI recommends that the Owner and Architect carefully review this document, including line item descriptions, unit prices, clarifications, exclusions, inclusions and assumptions, contingencies, escalation and mark-ups. Request for modifications of any apparent errors or omissions to this document must be made to TCI with in ten (10) days of receipt of this estimate. Otherwise, it will be understood that the contents have been concurred with and accepted.
 It is recommended that TCI using bid documents produce a final update estimate, to determine overall costs changes which have occurred since the preparation of the estimate. The final update estimate will address changes and additions to the document, as well as addenda issued during bidding process. TCI cannot reconcile bid results to an estimate not produced from bid documents.

Statement Of Probable Cost

TCI has no control over the cost of labor and materials, the general contractor's or any subcontractor's method of determining prices, or competitive bidding and market conditions. The opinion of construction is made on the basis of the experience, qualifications, and best judgment of the professional estimator familiar with the industry. TCI does not guarantee that bids will not vary from this estimate.

TCI staff of professional cost estimators has prepared this estimate in accordance with generally accepted principles and practices.

Acceptance of Report

With acceptance of this report, the holder shall indemnify and hold harmless Tortora Consulting from and against all claims, damages, losses and expenses, including but not limited to attorney fees and court costs arising out of or as a result of the performance of this work, including third party claims.

Project: **City of Newton**Location: **Police Station Lobby/Entry Renovations**Date: **October 27, 2011 Cost Estimate****CSI ESTIMATE TOTALS**

<i>Div</i>	<i>Section</i>	<i>Base Estimate</i>	<i>Area</i>
			545
2	02050-SELECTIVE DEMOLITION	\$2,730	\$5.01
4	04810-UNIT MASONRY	N/A	
5	05500-METAL FABRICATIONS	N/A	
6	06100-ROUGH CARPENTRY	\$1,000	\$1.83
	06200-FINISH CARPENTRY	\$12,605	\$23.13
7	07920-JOINT SEALANTS	\$780	\$1.43
8	08111/08114/08710-DOORS, FRAMES AND HARDWARE	N/A	
	08411-ALUMINUM-FRAMED ENTRANCE AND STOREFRONTS	\$13,500	\$24.77
	08800-GLAZING	Inc above	
9	09260-GYPSUM BOARD ASSEMBLIES	\$6,080	\$11.16
	09511-ACOUSTICAL PANEL CEILINGS	N/A	
	09651-RESILIENT FLOOR TILE	\$3,102	\$5.69
	09910-PAINTING	\$2,290	\$4.20
10	10440 -FIRE PROTECTION SPECIALTIES	N/A	
13	13070 -BULLET RESISTANT FRAMES AND WINDOWS	\$40,000	\$73.39
15	15300-FIRE PROTECTION	\$1,500	\$2.75
	15400-PLUMBING	N/A	
	15500-HVAC	\$1,500	\$2.75
16	16100-ELECTRICAL	\$14,460	\$26.53
	SUB-TOTAL DIRECT COSTS	\$99,547	\$182.66
	ESTIMATING / MARKET CONDITIONS CONTINGENCY - 5%	\$4,977	
	PERMITS	waived by city	
	GC & SUB BONDS	\$1,991	
	General Conditions/Requirements	\$31,780	
	Overtime premium	\$8,000	
	General Contractor overhead & profit	\$12,782	
	CONSTRUCTION TOTAL	\$159,078	\$291.89

City of Newton

Police Station Lobby/Entry Renovations

October 27, 2011 Cost Estimate



Base Estimate Detail

DESCRIPTION	QUANTITY	UNIT	UNIT COST	COST
02-SITWORK				
02050-DEMOLITION				
Remove desk, conduits, flooring, soffit trim and door systems	4	md	\$520.00	\$2,080
Dumpsters	1	ea	\$650.00	\$650
DEMOLITION TOTAL				<u>\$2,730</u>
06-WOODS AND PLASTICS				
06100-ROUGH CARPENTRY				
Misc plywood and blocking	1	ls	\$1,000.00	\$1,000
ROUGH CARPENTRY TOTAL				<u>\$1,000</u>
06200-FINISH CARPENTRY				
10" plastic laminate transaction counter	3	lf	\$200.00	\$600
24" plastic laminate counter w/ grommets	14	lf	\$200.00	\$2,800
12" plastic laminate shelf	15	lf	\$140.00	\$2,100
6" plastic laminate wall cap	8	lf	\$55.00	\$440
Wood base to match				NIC
Wood paneling to match	252	sf	\$20.00	\$5,040
Pencil drawer	1	ea	\$125.00	\$125
24" 5 drawer base cabinets	3	ea	\$500.00	\$1,500
FINISH CARPENTRY TOTAL				<u>\$12,605</u>
07-THERMAL AND MOISTURE PROTECTION				
07900-SEALANTS				
Interior caulking	1	md	\$680.00	\$680
Materials	1	ls	\$100.00	\$100
SEALANTS TOTAL				<u>\$780</u>
08-DOORS AND WINDOWS				
08411-ALUMINUM-FRAMED ENTRANCE AND STOREFRONTS				
D1 - aluminum storefront single door w/ sidelights	1	ls	\$3,500.00	\$3,500
D1 - hardware	1	ls	\$2,500.00	\$2,500
D2 - aluminum storefront single door w/ sidelights	1	ls	\$3,500.00	\$3,500
D2 - hardware	1	ls	\$2,000.00	\$2,000
D3 - hardware	1	ls	\$2,000.00	\$2,000
ALUMINUM-FRAMED ENTRANCE AND STOREFRONTS TOTAL				<u>\$13,500</u>
09-FINISHES				
09260-GYPSUM BOARD ASSEMBLIES				
Low wall - 2 1/2" metal stud w/ 5/8" gwb each side	32	sf	\$20.00	\$640
2 1/2" Metal stud for w/ 1 layer 5/8' gwb	216	sf	\$15.00	\$3,240
Install bullet proof fiberglass panels provided by 13070	2	md	\$600.00	\$1,200
Cutting and Patch existing walls/ceilings	1	ls	\$1,000.00	\$1,000
GYPSUM DRYWALL TOTAL				<u>\$6,080</u>

Base Estimate Detail

DESCRIPTION	QUANTITY	UNIT	UNIT COST	COST
09651-RESILIENT FLOOR TILE				
VCT	540	sf	\$4.00	\$2,160
Rubber base	201	lf	\$2.00	\$402
Floor prep	540	sf	\$1.00	\$540
RESILIENT FLOOR TILE TOTAL				<u>\$3,102</u>
09910-PAINTING				
Finish new wood paneling and base to match	2	md	\$600.00	\$1,200
Paint walls, ceilings and soffits	545	sf	\$2.00	\$1,090
PAINTING TOTAL				<u>\$2,290</u>
13000-SPECIAL CONSTRUCTION				
13070 -BULLET RESISTANT FRAMES AND WINDOWS				
Furnish, install, freight and tax)	1	ls	\$40,000.00	\$40,000
Level 4 -Transaction window w/ arch, ss tray and supports	60	sf		Inc above
Level 4 - Bullet resistant door and frame	1	lv		Inc above
Level 4 - Bullet resistant glazing and frame over existing windows	54	sf		Inc above
Supply level 4 bullet resistant fiberglass panels behind wood panels	65	sf		Inc above
Add dd for custom color powdercoat				NIC
BULLET RESISTANT FRAMES AND WINDOWS TOTAL				<u>\$40,000</u>
15500-MECHANICAL				
15300-FIRE PROTECTION				
New sidewall sprinkler to match (connect to existing main)	1	ls	\$700.00	\$700
Shutdown, drain and recalcs	1	ls	\$800.00	\$800
FIRE PROTECTION TOTAL				<u>\$1,500</u>
15500-HVAC				
Through wall 20cfm wall fan	1	ls	\$1,500.00	\$1,500
HVAC TOTAL				<u>\$1,500</u>
16-ELECTRICAL				
Demo/Make-safe	10	mh	\$85.00	\$850
Lighting and circuitry				
4' pendant	1	ea	\$350.00	\$350
Remove and reinstall lighting	4	mh	\$85.00	\$340
New Exit signs	2	ea	\$275.00	\$550
Lighting Circuitry and Power				
4000 wiremold	18	lf	\$95.00	\$1,710
Wall duplex outlet	5	ea	\$275.00	\$1,375
Ceiling duplex outlet	2	ea	\$275.00	\$550
New switches	1	ea	\$112.00	\$112
Wall fan wiring and connection	1	ea	\$350.00	\$350
Conduit, wire and tie-in to panel	1	ls	\$1,500.00	\$1,500

Base Estimate Detail

DESCRIPTION	QUANTITY	UNIT	UNIT COST	COST
<i>Fire Alarm</i>				
MC FA Teflon Cable	40	lf	\$12.00	\$480
Horn/strobe	1	ea	\$343.00	\$343
Central Equipment (tie into exist)	1	ls	\$250.00	\$250
<i>Telecommunications System (rough-in)</i>				
Conduit	60	lf	\$14.00	\$840
Tel/Data Outlet Backbox w/ Stubup	2	ea	\$84.20	\$168
<i>Security System (rough-in)</i>				
Security conduit	275	lf	\$14.00	\$3,850
Junction backbox for card readers and cameras	10	ea	\$84.20	\$842
ELECTRICAL TOTAL				<u>\$14,460</u>

City of Newton

Police Station Lobby/Entry Renovations
October 27, 2011 Cost Estimate

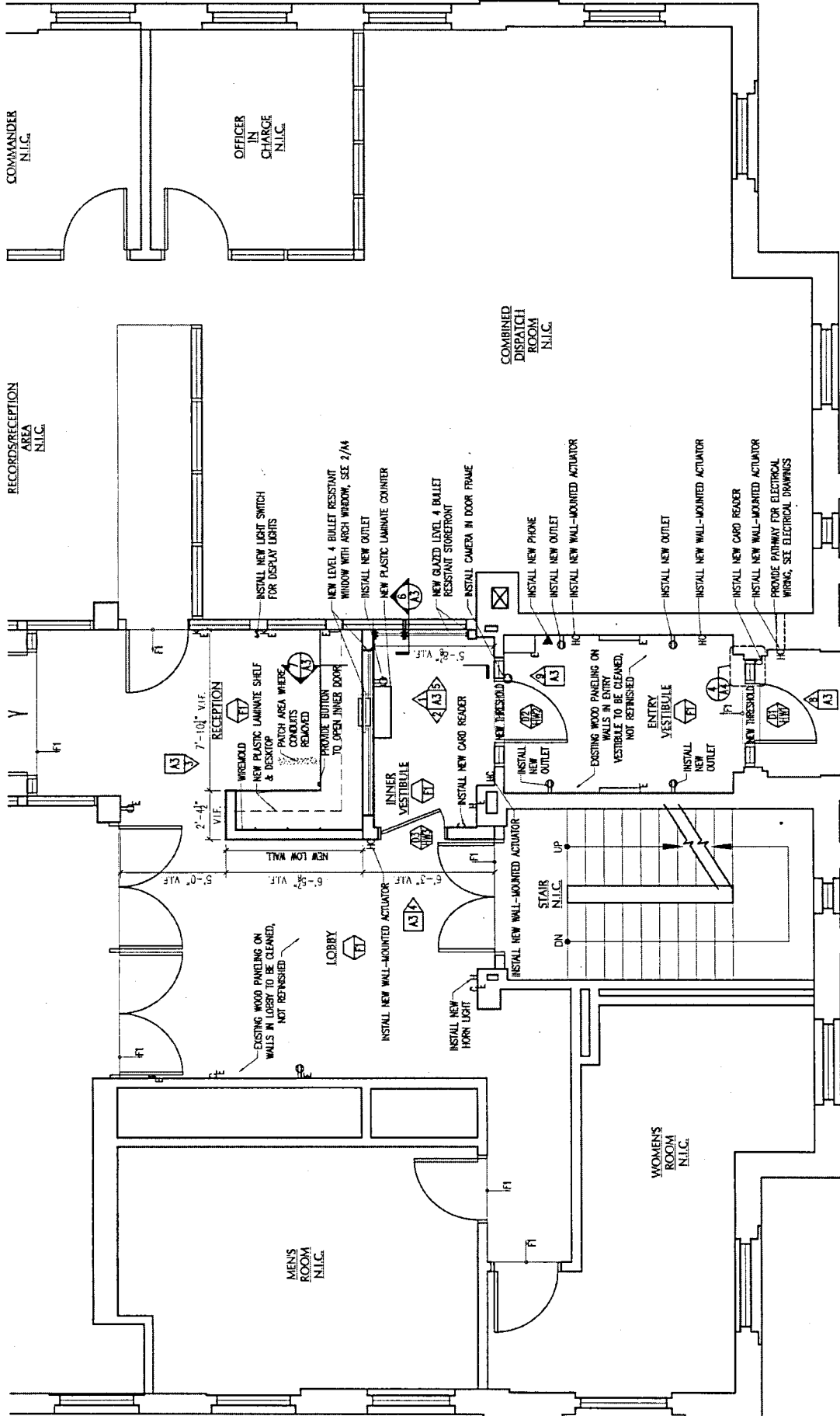


General Conditions and Requirements

DESCRIPTION	QUANTITY	UNIT	UNIT COST	COST
4 Week Schedule				
Project Staffing				
Superintendent	4	wks	\$3,600.00	\$14,400
Project Manager	2	wks	\$3,800.00	\$7,600
Temporary Facilities				
Field Office				with-in space
Copier				n/a
Fax Machine (Purchase)				n/a
Furniture				n/a
Drinking Water				n/a
Supplies for Office Trailer (Copies / Faxes)				n/a
Sanitation				n/a
Telephone				n/a
Field Office Computer				n/a
Portable phones	1	mth	\$200.00	\$200
First Aid / Safety	1	mth	\$150.00	\$150
Postage				n/a
Temp walls	12	lf	\$40.00	\$480
Temp signs	1	ls	\$800.00	\$800
Final cleaning	1	ls	\$1,000.00	\$1,000
Cleaning Dumpsters	3	ea	\$650.00	\$1,950
Cleaning / misc labor (1 laborer for 2 weeks)	10	md	\$520.00	\$5,200
GENERAL CONDITIONS AND REQUIREMENTS TOTAL				\$31,780

PROGRESS - NOT FOR CONSTRUCTION

#364-10(2)





SETTI D. WARREN
MAYOR

City of Newton, Massachusetts
Office of the Mayor

#37-12

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(617) 796-1100

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E-mail
swarren@newtonma.gov

January 30, 2012

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

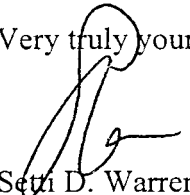
Ladies and Gentlemen:

I write to request that your Honorable Board docket for consideration a request to transfer the sum of \$90,862 from FY11 Free Cash and the sum of \$16,750 from FY11 Budget Reserve to Account #01602011-5273 Rental Vehicles to fund costs associated with Emergency Tree Services.

During the past two years, the City has incurred more than \$200,000 for "normal" emergency tree services. The City has paid invoices totaling \$582,761 (approximately \$490,000 of which was due to Hurricane Irene), currently has \$60,260 of outstanding invoices, and projects average expenditures through June 30th to approximate \$72,000.

Thank you for your consideration of this matter.

Very truly yours,


Seth D. Warren
Mayor

RECEIVED
Newton City Clerk
2012 JAN 30 PM 4: 19
David A. Oison, CMC
Newton, MA 02459

1000 Commonwealth Avenue Newton, Massachusetts 02459

www.newtonma.gov



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FORESTRY EMERGENCY EXPENSES BREAK DOWN, FOR JANUARY 2012 APPROPRIATION REQUEST

CONTRACTED EMERGENCY SERVICES EXPENSES

Date	Hours	Equipment	Rate	Cost	Issue
12/8/2011	5.5	Log Loader	\$ 125.00	\$ 687.50	storm debris cleanup
12/9/2011	3	Bucket Truck	\$ 210.00	\$ 630.00	Several hangers and down limbs
12/12/2011	8	Bucket Truck	\$ 170.00	\$ 1,360.00	Limbs and Hangers Citywide
12/20/2011	3	Bucket Truck	\$ 180.00	\$ 540.00	Several hangers and down limbs
12/22/2011	8	Bucket Truck	\$ 170.00	\$ 1,360.00	Limbs and Hangers Citywide
12/27/2011	1	Bucket Truck	\$ 210.00	\$ 210.00	Strong winds several trees down
12/27/2011	0.75	Log Loader	\$ 155.00	\$ 116.25	Strong winds several trees down
12/28/2011	6	Bucket Truck	\$ 180.00	\$ 1,080.00	Strong winds several trees down
12/28/2011	7	Bucket Truck	\$ 210.00	\$ 1,470.00	Strong winds several trees down
12/28/2011	6	Log Loader	\$ 125.00	\$ 750.00	Strong winds several trees down
12/28/2011	7	Log Loader	\$ 155.00	\$ 1,085.00	Strong winds several trees down
12/29/2011	8	Bucket Truck	\$ 170.00	\$ 1,360.00	Limbs and Hangers Citywide
1/5/2012	4	Bucket Truck	\$ 200.00	\$ 800.00	Limbs and Hangers Citywide
1/6/2012	8	Bucket Truck	\$ 200.00	\$ 1,600.00	Limbs and Hangers Citywide
1/13/2012	19	Bucket Truck	\$ 200.00	\$ 3,800.00	Strong winds tree down and several hangers
1/20/2012	7	Bucket Truck	\$ 200.00	\$ 1,400.00	Limbs and Hangers Citywide
1/21/2012	5	Bucket Truck	\$ 210.00	\$ 1,050.00	Several trees down and hangers
1/26/2012	8	Bucket Truck	\$ 200.00	\$ 1,600.00	Limbs and Hangers Citywide
total				\$ 20,898.75	

CONTRACTED DEBRIS MANAGEMENT

1/21/2012 Phase 2 of Removal of Oct. Storm Debris	\$ 15,000.00	Estimate, invoice pending
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CITY EMPLOYEE OVERTIME COSTS FOR MAJOR STORMS

Date	COST	
9/2/2011	\$ 12,336.58	Tropical Storm Irene related
9/13/2011	\$ 2,824.56	Tropical Storm Irene related
9/19/2011	\$ 2,230.57	Tropical Storm Irene related
9/26/2011	\$ 846.64	Tropical Storm Irene related
10/4/2011	\$ 729.98	Tropical Storm Irene related
10/7/2011	\$ 309.85	Tropical Storm Irene related
11/1/2011	\$ 297.03	October Snow Storm related
11/7/2011	\$ 1,072.29	October Snow Storm related
total		\$ 20,647.50

Appropriation Request

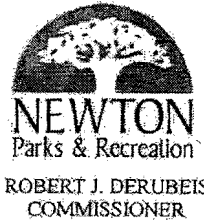
for already completed contracted services	\$ 35,898.75
estimate of contracted services, remainder of fiscal year	\$ 50,966.00
for major storm employee overtime	\$ 20,647.50
\$ 107,512.25 Total Appropriation Request	



SETTI D. WARREN
MAYOR

NEWTON PARKS AND RECREATION DEPARTMENT

124 Vernon St, Newton, MA 02458
Office: (617) 796-1500/Fax: (617) 796-1512
TDD/TTY: (617) 796-1089
parks@newtonma.gov



ROBERT J. DERUBEIS
COMMISSIONER

February 8, 2012

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

Ladies and Gentlemen:

I am writing in reference to Board Order #37-12 dated January 30, 2012 requesting to transfer \$90,862 from FY11 Free Cash and \$16,750 from FY11 Budget Reserve to account #01602011 5273 Rental Vehicles to fund costs associated with Emergency Tree Services.

I wish to amend the account number for this request. This request should be \$86,965 to account 01602011 5273 and \$20,647 to account # 01602011 513001 to cover maintenance employee overtime.

Thank you for your consideration of this matter.

Very truly yours,

Robert DeRubeis
Parks and Recreation Commissioner

David A. Olson, CMC
Newton, MA 02459

2012 FEB - 8 PM 2: 26

RECEIVED
Newton City Clerk



SETTI D. WARREN
MAYOR

City of Newton, Massachusetts
Office of the Mayor

#38-12

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swarren@newtonma.gov

January 30, 2012

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

RECEIVED
Newton City Clerk
2012 JAN 30 PM 4: 18
David A. Olson, CMC
Newton, MA 02459

Ladies and Gentlemen:

I write to request that your Honorable Board docket for consideration a request to authorize the establishment of three revolving accounts, in accordance with MGL C.44, S.53E1/2, effective November 1, 2011, with annual spending limits not to exceed \$350,000 each for 1) "Regular Tuition" Departmental Revolving Account (#13S21C301), 2) "Special Education Tuition" Departmental Revolving Account (#13S21A301), and 3) "English Language Learners Tuition" Departmental Revolving Account (#13S21B301).

Thank you for your consideration of this matter.

Very truly yours,

Setti D. Warren
Mayor

1000 Commonwealth Avenue Newton, Massachusetts 02459

www.newtonma.gov



DEDICATED TO COMMUNITY EXCELLENCE

Ward
I Geoffrey Epstein
II Reenie Murphy, Vice-Chairperson
III Kurt Kusiak
IV Jonathan Yeo
V Susan Rosenbaum
VI Claire Sokoloff, Chairperson
VII Matthew Hills
VIII Margie Ross Decter

Newton School Committee
100 Walnut Street
Newtonville, MA 02460
Tel (617) 559-6110
Fax (617) 559-6101
www.newton.k12.ma.us
schoolcommittee@newton.k12.ma.us

Mayor Setti Warren
#38-12
Ex officio



September 27, 2011

Mayor Setti Warren
Newton City Hall
1000 Commonwealth Ave.
Newton Centre, MA 02459

Dear Mayor Warren:

At the 9/26/11 School Committee meeting, the Committee voted to request the Mayor and Board of Aldermen to authorize three revolving accounts, in accordance with *MGL C.44, S.53E1/2*, effective November 1, 2011, with annual spending limits not to exceed \$350,000 each for 1) "Regular Tuition" Departmental Revolving Account (#13S21C301), 2) "Special Education Tuition" Departmental Revolving Account (#13S21A301), and 3) "English Language Learners Tuition" Departmental Revolving Account (#13S21B301).

We have enclosed a memorandum from Sandra Guryan, Deputy Superintendent/Chief Administrator Officer to Superintendent David Fleishman explaining this request. Please do not hesitate to contact me if you have any questions.

Sincerely yours

Claire Sokoloff,
Chairperson

c: Sandra Guryan, Assistant Superintendent for Business, Finance & Planning
Gail Landry, Director of Business Services
David Wilkinson, Comptroller
Maureen Lemieux, Chief Financial Officer

djr

Enc.

NEWTON PUBLIC SCHOOLS

100 Walnut Street, Newtonville, MA 02460

AREA CODE (617) 559-9025

Office of Business, Finance and Planning

Memorandum

TO: David Fleishman, Superintendent

FROM: Sandra Guryan, Deputy Superintendent/Chief Administrative Officer

DATE: September 26, 2011

RE: Vote to Establish Three Revolving Accounts

The purpose of this memo is to ask the School Committee to vote to establish three new departmental revolving accounts in order to collect and spend tuitions paid to the School Department to attend the Newton Public Schools.

Tuitions received by Newton Public Schools may come from more than one source and are mutually exclusive of EDCO tuitions which currently flow directly to the City of Newton. For example, as part of the FY12 School Committee Approved Budget, it was anticipated that tuition revenue would be collected from a few out-of-district students who wish to attend Central High School. In addition, work has been on-going for the past several months between the City Law Department and the School Department regarding the charging of tuition to students who establish residency in Newton for the sole purpose of attending school. In order to collect and spend tuition revenues the School Department may receive, a departmental revolving account must be established by the School Committee and approved by the Mayor and the Board of Aldermen. Tuitions will be used to offset instructional expenses of the particular academic program involved including Regular Education, Special Education, and/or English Language Learners. It is recommended that three departmental revolving accounts be established, one for each academic program.

II. Required Motions, Including Annual Spending Limits

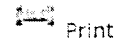
The following three School Committee motions are required:

1. A motion is required to send the request for a revolving account to the Board of Aldermen of the City of Newton in order to authorize a "Regular Tuition" Departmental Revolving Account, effective November 1, 2011, in accordance with the attached MGL C.44, S.53E1/2, *with an annual spending limit not to exceed \$350,000.*
2. A motion is required to send the request for a revolving account to the Board of Aldermen of the City of Newton in order to authorize a "Special Education

Tuition” Departmental Revolving Account, effective November 1, 2011, in accordance with the attached MGL C.44, S.53E1/2, *with an annual spending limit not to exceed \$350,000.*

3. A motion is required to send the request for a revolving account to the Board of Aldermen of the City of Newton in order to authorize an “English Language Learners Tuition” Departmental Revolving Account, effective November 1, 2011, in accordance with the attached MGL C.44, S.53E1/2, *with an annual spending limit not to exceed \$350,000.*

Attachment



PART I ADMINISTRATION OF THE GOVERNMENT
(Chapters 1 through 182)

TITLE VII CITIES, TOWNS AND DISTRICTS

CHAPTER 44 MUNICIPAL FINANCE

Section 53E1/2 Revolving funds

Section 53E1/2. Notwithstanding the provisions of section fifty-three, a city or town may annually authorize the use of one or more revolving funds by one or more municipal agency, board, department or office which shall be accounted for separately from all other monies in such city or town and to which shall be credited only the departmental receipts received in connection with the programs supported by such revolving fund. Expenditures may be made from such revolving fund without further appropriation, subject to the provisions of this section; provided, however, that expenditures shall not be made or liabilities incurred from any such revolving fund in excess of the balance of the fund nor in excess of the total authorized expenditures from such fund, nor shall any expenditures be made unless approved in accordance with sections forty-one, forty-two, fifty-two and fifty-six of chapter forty-one.

Interest earned on any revolving fund balance shall be treated as general fund revenue of the city or town. No revolving fund may be established pursuant to this section for receipts of a municipal water or sewer department or of a municipal hospital. No such revolving fund may be established if the aggregate limit of all revolving funds authorized under this section exceeds ten percent of the amount raised by taxation by the city or town in the most recent fiscal year for which a tax rate has been certified under section twenty-three of chapter fifty-nine. No revolving fund expenditures shall be made for the purpose of paying any wages or salaries for full time employees unless such revolving fund is also charged for the costs of fringe benefits associated with the wages or salaries so paid; provided, however, that such prohibition shall not apply to wages or salaries paid to full or part-time employees who are employed as drivers providing transportation for public school students; provided further, that only that portion of a revolving fund which is attributable to transportation fees may be used to pay such wages or salaries and provided, further, that any such wages or salaries so paid shall be reported in the budget submitted for the next fiscal year.

A revolving fund established under the provisions of this section shall be by vote of the annual town meeting in a town, upon recommendation of the board of selectmen, and by vote of the city council in a city, upon recommendation of the mayor or city manager, in Plan E cities, and in any other city or town by vote of the legislative body upon the recommendation of the chief administrative or executive officer. Such authorization shall be made annually prior to each respective fiscal year; provided, however, that each authorization for a revolving fund shall specify: (1) the programs and purposes for which the revolving fund may be expended; (2) the departmental receipts which shall be credited to the revolving fund; (3) the board, department or officer authorized to expend from such fund; (4) a limit on the total amount which may be expended from such fund in the ensuing fiscal year; and, provided, further, that no board, department or officer shall be authorized to expend in any one fiscal year from all revolving funds under its direct control more than one percent of the amount raised by taxation by the city or town in the most recent fiscal year for which a tax rate has been certified under section twenty-three of chapter fifty-nine. Notwithstanding the provisions of this section, whenever, during the course of any fiscal year, any new revenue source becomes available for the establishment of a revolving fund under this section, such a fund may be established in accordance with this section upon certification by the city auditor, town accountant, or other officer having similar duties, that the revenue source was not used in computing the most recent tax levy.

In any fiscal year the limit on the amount that may be spent from a revolving fund may be increased with the approval of the city council and mayor in a city, or with the approval of the selectmen and finance committee, if any, in a town; provided, however, that the one percent limit established by clause (4) of the third paragraph is not exceeded.

The board, department or officer having charge of such revolving fund shall report to the annual town meeting or to the city council and the board of selectmen, the mayor of a city or city manager in a Plan E city or in any other city or town to the legislative body and the chief administrative or executive officer, the total amount of receipts and expenditures for each revolving fund under its control for the prior fiscal year and for the current fiscal year through

December thirty-first, or such later date as the town meeting or city council may, by vote determine, and the amount of any increases in spending authority granted during the prior and current fiscal years, together with such other information as the town meeting or city council may by vote require.

At the close of a fiscal year in which a revolving fund is not reauthorized for the following year, or in which a city or town changes the purposes for which money in a revolving fund may be spent in the following year, the balance in the fund at the end of the fiscal year shall revert to surplus revenue unless the annual town meeting or the city council and mayor or city manager in a Plan E city and in any other city or town the legislative body vote to transfer such balance to another revolving fund established under this section.

The director of accounts may issue guidelines further regulating revolving funds established under this section.



City of Newton, Massachusetts
Office of the Mayor

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SETTI D. WARREN
MAYOR

January 30, 2012

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

Ladies and Gentlemen:

I write to request that your Honorable Board docket for consideration a request to concur with the anticipated vote of the Newton Public School Committee to transfer the sum of \$750,000 from Health Insurance Savings to the Angier School Building Fund to fund the costs of a feasibility study of the Angier Elementary School.

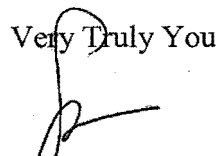
As you know, the Massachusetts School Buildings Authority (MSBA) invited the Newton Public Schools to participate in the initial stage of the grant process, the Eligibility Period, based on need and urgency as expressed by the city and validated by the MSBA. With this first step, Newton and the MSBA will now work together, in a collaborative process, to provide required information, and then if invited, through 8 formalized steps until conclusion of the Angier School repair/replacement. Angier School is Newton's #1 priority school for major renovation or replacement as listed on the Capital Improvement Program.

As many of you also know, the City of Newton has enjoyed very favorable actual cost of Health Insurance Claims this year. Consequently, I intend to implement a "Health Insurance Premium Holiday" for a two week period this spring. This Premium Holiday will generate approximately \$1 million in savings for the Newton Public Schools.

It is my expectation that the School Committee will vote to transfer \$750,000 of this savings to fund the feasibility study of the Angier School. With that expectation, I respectfully request that the Honorable Board of Aldermen concur contingent on the School Committee's actions.

Thank you for your consideration of this matter.

Very Truly Yours,



Setti D. Warren
Mayor

1000 Commonwealth Avenue Newton, Massachusetts 02459

www.ci.newton.ma.us

DEDICATED TO COMMUNITY EXCELLENCE

City of Newton



PUBLIC BUILDINGS DEPARTMENT

Stephanie Kane Gilman, 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

30 January 2012

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

RE: Angier Elementary School Project; 1697 Beacon Street; Newton, MA

SUBJECT: Request for Approval of Feasibility Study and Schematic Design Funds for the Angier Elementary School Project

Dear Mayor Warren:

On 25 January 2012 the Massachusetts School Building Authority (MSBA) voted at its Board of Director's meeting to formally invite the City of Newton School District to participate in the MSBA grant program to address the facility needs at the Angier Elementary School.

The MSBA grant program for school building construction and renovation projects is a non-entitlement competitive program. The MSBA Board of Directors' vote further validates the need and urgency to address the serious issues at the Angier Elementary School as expressed by the Newton School Committee in its letter of interest submitted to the MSBA in early January 2012

The MSBA's invitation initiates the grant program process. The Newton School Committee and the MSBA work together in a collaborative manner through the 8 formalized steps required under the MSBA program which include:

1. Completion of Program Pre-Requisites and Feasibility Study Agreement.
2. Formation of a Project Team.
3. Feasibility Study.
4. Schematic Design.
5. Budget and Funding Agreements.
6. Design Development, Construction Documents, and Bidding.
7. Construction Administration.
8. Project Close-Out.

In order to comply with the Program Pre-Requisites, the Newton School Committee must submit to the MSBA the City's approval to fund the Feasibility Study. The intent is to complete and submit program pre-requisite information and the City's approval to fund the feasibility study by 1 March, 2012 with the expectation that the MSBA Board of Director's will vote to invite the City to participate in the feasibility study.

Although the specific fee for the feasibility study and schematic design will not be known until such time that a designer is selected and the contract for services is negotiated, the anticipated cost of the Feasibility Study for Angier Elementary School is \$750,000.00. Accordingly, the Public Buildings Department is requesting an appropriation of this amount. The MSBA requires a specific form of vote for the feasibility study and the Law Department is currently preparing the funding board order for review by the MSBA.

Request for Feasibility Study Funds
Angier Elementary School
30 January 2012
Page 2

The attached cost breakdown identifies the anticipated services and estimated budget costs for the feasibility study and associated schematic design. The cost is based on a review of the OPM, Designer and related costs provided on the MSBA web site for recent elementary school projects of comparable building size; and anticipated other services which may be required for the Angier School.

Please do not hesitate to contact me should you have any questions regarding the request for design funds.
Sincerely,



Stephanie Kane Gilman,
Commissioner of Public Buildings

CC: Robert Rooney, Chief Operating Officer
Maureen Lemieux, Chief Financial Officer
Dr. David Fleishman, School Superintendent
Sandy Guryan, Deputy Superintendent/Chief Administrative Officer

ANGIER ELEMENTARY SCHOOL PROJECT

REQUEST FOR FEASIBILITY AND SCHEMATIC DESIGN FUNDS

3 February 2012

Angier School Project Overview

The Angier Elementary School is the City of Newton's number one priority school requiring major renovation or replacement as identified in the City's Capital Improvements Plan. The need to renovate or replace this facility has been further confirmed by the Massachusetts State Building Authority's ranking of this facility along with the evaluation provided by HMFH Architect's "Newton Schools Long-Range Facilities Master Plan" update of November 2011.

The Angier Elementary School is over 90 years old with original building systems in poor condition. Some mechanical systems are inoperable or not working as intended, resulting in areas over-heating while others have very limited heating. Plumbing is original and beyond useful life, and the number of toilet fixtures is inadequate. Electrical, lighting and emergency systems are also inadequate by today's standards. In addition to aging building systems, storm water drainage is inadequate resulting in periodic flooding of the courtyard and gymnasium requiring excessive repair cycles. In addition the building does not meet current accessibility requirements.

The School is approximately 51,000 S.F. in size with a current enrollment of 395 students, and an average class room size of approximately 600 S.F. As indicated in the HMFH study the school's enrollment is projected to increase to some 435 students for the 2016-2017 school year. In order to meet the school's growing demand and comply with MSBA guidelines for elementary school space needs, which include class room sizes of approximately 900 S.F., the renovated or replacement Angier School is expected to be approximately 73,000 S.F.

Angier School Projected Construction, Feasibility Study and Schematic Design Costs

Based on this programmatic information and a review of the cost figures in the tables provided on the MSBA website for Owner's Project Manager (OPM), Designer, fees and other professional services costs; and Estimated Construction and Total Project Budget Cost Data at Schematic Design; the following costs are projected for the Angier Elementary School Project if new construction is recommended by the feasibility study. This budget assumes that the project will be developed through the MSBA school building program. The projected costs will be further refined through the process as the Owner's Project Manager (OPM), and Designer are selected and the study and design work is developed.

PROJECTED CONSTRUCTION COSTS EXTRACTED FROM MSBA DATA*

Preferred schematic solution to either renovate and add to the existing facility, or to provide a newly constructed facility shall be determined through the feasibility study. Costs provided are based on new construction.

Total Gross Building Area ±73,000 S.F. Based on Long-Range Facilities Master Plan, 2011.

Projected Construction Cost ± \$ 25,000,000 Projected construction cost at ± \$300/S.F. escalation 3% per year to mid-point of construction (2015)

FEASIBILITY STUDY AND SCHEMATIC DESIGN BUDGET FEES EXTRACTED FROM MSBA DATA*

Projected Fees ± \$750,000 Feasibility Study costs for professional services and expenses extracted from MSBA tables at approx. 3.0% of projected construction cost.

Projected Services

Owner's Project Manager (OPM), Designer, Other Professional Services, Testing, and Surveys e.g. Traffic, Civil Geotechnical, Environmental, Historic consulting; Hazardous Materials and Land Surveys; and Expenses.

OPM and Designer services are required by MSBA. Other specific professional services, testing and surveys for project to be determined as part of designer selection process.

* Refer to MSBA Tables: Estimated Construction and Total Project Budget Cost Data at Schematic Design; and Designer and OPM FEES found at:

http://www.massschoolbuildings.org/sites/default/files/edit-contentfile/Build%20With%20Us/Buidling%20with%20Us%20homepage/Designer_OPM_Fees_9_30_11.pdf

http://www.massschoolbuildings.org/sites/default/files/edit-contentfile/Build%20With%20Us/Buidling%20with%20Us%20homepage/Est_Const_Total_Proj_Budget_9_30_11.pdf



Massachusetts School Building Authority

Steven Grossman
Chairman, State Treasurer

John K. McCarthy
Interim Executive Director

January 25, 2012

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

Re: Newton Public Schools, A.E. Angier Elementary School

Dear Mayor Warren:

I am pleased to report that the Massachusetts School Building Authority (“the MSBA”) Board of Directors voted to invite the Statement of Interest for the A.E. Angier Elementary School in the City of Newton (the “District”) into the MSBA’s Eligibility Period. The new, 270-day Eligibility Period formalizes and streamlines the beginning of the MSBA’s grant approval process and benefits the District by providing a definitive schedule for the completion of preliminary requirements, assisting with the determination of financial and community readiness, and identifying needs for planning and budgeting. Successful completion of all activities in the Eligibility Period will allow the District to be eligible for an MSBA invitation to Feasibility Study.

Invitation into the Eligibility Period is *not* an invitation to Feasibility Study. Moving forward in the MSBA’s process requires collaboration with the MSBA, and an invitation to Feasibility Study will require a further vote of the MSBA Board of Directors. Communities that “get ahead” of the MSBA without MSBA approval will not be eligible for grant funding. To qualify for any funding from the MSBA, local communities must follow the MSBA’s statute and regulations, which require MSBA collaboration and approval at each step of the process.

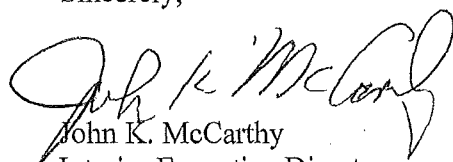
The District’s Eligibility Period will commence on February 9, 2012 and conclude on November 5, 2012. During this time, the District must complete the preliminary requirements in accordance with the schedule on Attachment A. The ability of the District to complete the preliminary requirements within the 270-day period does not guarantee an invitation into the MSBA Capital Pipeline. However, if the District cannot complete the preliminary requirements within the 270-day Eligibility Period, the MSBA will require the District to withdraw its SOI, and the District will have to re-file an SOI during the next open SOI filing period and/or when the District has the financial and community support required.

Page 2
January 25, 2012
Newton Letter

If the District has any concerns about meeting any of the deadlines set forth in Attachment A, please notify the MSBA in writing by February 9, 2012. If you have questions or would like additional information regarding the Eligibility Period, please refer to our website <http://www.massschoolbuildings.org/building/prerequisites> and/or contact Kathryn DeCristofaro (Katie.DeCristofaro@massschoolbuildings.org).

I look forward to continuing to work with you throughout the MSBA's grant program process. As always, feel free to contact me or my staff at (617) 720-4466 should you have any questions.

Sincerely,



John K. McCarthy
Interim Executive Director

Cc: Senator Cynthia Stone Creem
Representative Ruth Balser
Representative Kay Khan
Representative John Lawn
Scott F. Lennon, President, Newton Board of Alderman
Claire Sokoloff, Chair, Newton School Committee
Dr. David A. Fleishman, Superintendent, Newton Public Schools
File: Letters 10.2 (Region 4)

(BO #)

CITY OF NEWTON
IN BOARD OF ALDERMEN

(Date)

RESOLVED:

That the City support the vote of the Newton School Committee to spend the amount of Seven Hundred and Fifty Thousand and no/100ths (\$750,000.00) Dollars for the purpose of paying the costs of a Feasibility Study of A.E. Angier Elementary School, 1697 Beacon Street, Waban, MA 02468, including the payment of all costs incidental or related thereto, and for which the City may be eligible for a grant from the Massachusetts School Building Authority ("MSBA"), said amount to be expended by the City under the direction of the Commissioner of Public Buildings. The City acknowledges that the MSBA's grant program is a non-entitlement, discretionary program based on need, as determined by the MSBA, and any costs the City incurs in excess of any grant approved by and received from the MSBA shall be the sole responsibility of the City.

Under Suspension of Rules
Readings Waived and Adopted

(SGD) DAVID A. OLSON
City Clerk

(SGD) SETTI D. WARREN
Mayor

Date: _____

ENCL C