

CITY OF NEWTON
IN BOARD OF ALDERMEN
FINANCE COMMITTEE AGENDA

MONDAY, APRIL 12, 2010

7:00 PM
Room 222

ITEMS SCHEDULED FOR DISCUSSION:

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

#399-09(2) HIS HONOR THE MAYOR requesting an amendment to Bond Authorization Board Order #399-09 for various sewer system improvements as follows:

FROM:	Oakdale Road Sewer Project (37A401E1A).....	\$18,500
	Farina Road Sewer Project (37A401E2A).....	\$18,500
	Irving Street Sewer Project (37A401E3A).....	\$18,500
TO:	Old Farms Road Sewer Project (37A401E4A).....	\$55,500

[03/30/10 @ 4:48 PM]

PUBLIC FACILITIES APPROVED 7-0 on 04/07/10

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

#112-10 HIS HONOR THE MAYOR requesting authorization to appropriate and expend two hundred thousand dollars (\$200,000) from Wage Reserve for the purpose of supplementing the payroll accounts of the Department of Public Works to fund the projected wages through the end of the fiscal year pursuant to the agreement reached with the Newton Municipal Employees Association in June 2009.

[03/30/10 @ 4:09 PM]

PUBLIC FACILITIES APPROVED 5-0-2 (Crossley and Lennon abstaining on 04/07/10)

REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES

#110-10 HIS HONOR THE MAYOR requesting authorization to appropriate and expend six hundred seventeen thousand nine hundred ninety-five dollars and fifty-two cents (\$617,995.52) from Receipts Reserved Fund 14, Account 3314L (Cable Reserve Funds) for the reinvestment and expansion of Newton North High School's and Newton South High School's television and media production facilities. [03/30/10 @ 4:09 PM]

PROG & SERV APPROVED 7-0-1 (Ald. Sangiolo abstaining) ON 04/07/10

REFERRED TO COMM. ON COMM. PRES. AND FINANCE COMMITTEES

#28-10 COMMUNITY PRESERVATION COMMITTEE recommending that the sum of \$362,500, including \$2,500 for City of Newton legal costs, be appropriated from the fiscal 2010 community housing and general reserves of the Community Preservation Fund and expended under the direction and control of the Planning and Development Department, to create two units of perpetually affordable rental housing at 2148-2150 Commonwealth Avenue. [01/11/10 @ 4:23 pm]
CMTEE ON COMMUNITY PRES. APPROVED 5-0-3 (Ald. Blazar, Fuller and Harney abstaining) on 03/23/10

#78-10 ALD. FULLER, GENTILE, FREEDMAN, JOHNSON, DANBERG AND BAKER requesting a review of the elements of the Financial Management Guidelines of January 2008, together with the Mayor's Office, to ensure they meet the current needs of the City. [03/09/10 @8:23 AM]

Chairman's Note: the Committee will also review the City of Newton Capital Financing Plan, which is attached.

#207-07(4) ALD. COLETTI proposing that the city's Financial Management Guidelines adopted under board order #207-07 be amended to allow the adjustment of self-funded health insurance plan rates in the event that rates and any accumulated excess resources not meet actual resource requirements. [7-2-08 @12:12 PM]

#207-07(2) ALD. COLETTI proposing that the city's Financial Management Guidelines adopted under board order #207-07 be amended, effective FY10, as follows:
(A) total resources devoted to all forms of employee compensation shall not exceed the estimated growth in total general fund revenue for the following fiscal year;
(B) funds for salary and wage adjustments shall not exceed the difference between total estimated revenue growth and resources needed to fund growth in health/dental and life insurance benefits and growth in the actuarial required contribution for the city's retirement system for each fiscal year;
(C) if collective bargaining contracts are not resolved at the time of budget submission, funds budgeted for such contracts shall be held in "municipal and compensation" reserve. [7-2-08 @12:12 PM]

#108-10 ALD. GENTILE, BAKER, FULLER, RICE, BLAZAR, FREEDMAN, SHAPIRO, HARNEY, JOHNSON AND MERRILL requesting a Resolution from the Board of Aldermen to the Retirement Board asking them not to spend public funds to send two members of the Retirement Board to a conference in Las Vegas this year. [03/26/10 @ 3:14PM]

REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES

#51-10 ALD. CROSSLEY HESS-MAHAN & LINSKY requesting adoption of a policy to purchase only fuel-efficient vehicles for municipal use whenever such vehicles are commercially available and practicable, in order to satisfy the requirements to qualify as a Green Community under MGL Chapter 25A, §10(c). [02/09/10 @ 7:25 PM]
PROG & SERV APPROVED 5-0 ON 04/07/10

ITEMS NOT SCHEDULED FOR DISCUSSION:**REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES**

- #109-10 HIS HONOR THE MAYOR requesting authorization to appropriate and expend one hundred thousand dollars (\$100,000) from Free Cash for the purpose of supplementing the Law Department's budget for services provided by the City's outside labor counsel. [03/30/10 @ 4:12 PM]
PROG & SERV APPROVED 7-0-1 (Ald. Linsky abstaining) ON 04/07/10

REFERRED TO CMTE. ON COMM. PRESERV. AND FINANCE COMMITTEE

- #113-10 THE COMMUNITY PRESERVATION COMMITTEE recommending that \$5,200 be appropriated from the FY10 Community Preservation Fund's historic resources and general reserves and expended under the spending authority of the City Clerk, to preserve and restore the original frame and 19th century portrait of James F. C. Hyde, Newton's first mayor. [03/22/10 @ 4:58 PM]

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

- #111-10 HIS HONOR THE MAYOR requesting authorization to enter into an Inter-Municipal Agreement with the Town of Needham for Trommel Screening rental services for a three-year period (to be used to process compost to be used for resale in the coming year). [03/30/10 @ 4:08 PM]
- #207-07(5) ALD. FREEDMAN AND JOHNSON proposing that the city's Financial Management Guidelines adopted under Board Order #207-07 be amended to require that any proposed capital expenditure above a certain amount have a cost-benefit or a return-on-investment analysis performed prior to approval by the Board of Aldermen. [12/21/09 @ 5:55 PM]

REFERRED TO ZONING & PLANNING AND FINANCE COMMITTEES

- #391-09(2) ALD. DANBERG, MANSFIELD, VANCE & HESS-MAHAN requesting the establishment of a municipal parking mitigation fund whose proceeds, derived from payments-in-lieu of providing off-street parking spaces associated with special permits, will be used solely for expenses related to adding to the supply of municipal parking spaces, improving existing municipal parking spaces, or reducing the demand for parking spaces.

REFERRED TO FINANCE AND APPROPRIATE COMMITTEES

- #376-09 HIS HONOR THE MAYOR submitting the FY11-15 Capital Improvement Program, totaling \$140,377,285 and the FY10 Supplemental Capital budget, which require Board of Aldermen approval to finance new capital projects over the next five years.

REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES

- #363-09 ALD. SANGIOLO requesting a discussion to increase the tobacco seller license fee. [09/13/09 @ 1:07 PM]

REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES

- #87-09 ALD. SANGIOLO, BRANDEL, FREEDMAN AND HESS-MAHAN requesting a Home Rule Petition to allow the City of Newton to require elected officials to contribute a higher percentage rate for health insurance benefits than is required for other employee groups. [03-10-09 @ 9:17 AM]
PROGRAM & SERVICES APPROVED 5-1-1 (Baker opposed; Merrill abstaining; Parker not voting) on 4/15/09

Respectfully Submitted,

Leonard J. Gentile, Chairman

CITY OF NEWTON
IN BOARD OF ALDERMEN

December 21, 2009

(Various Sewer System Improvements)

ORDERED:

That for the purpose of paying costs of designing and constructing sewer system improvements at Oakdale (\$125,000), Farina (\$125,000) and Irving Street (\$135,000) and to pay costs of engineering and designing sewer system improvements on Old Farm Road (\$115,000), and for the payment of any and all other costs associated therewith, there be and hereby is appropriated and authorized to be borrowed under and pursuant to Chapter 44, Section 7(1) of the General Laws, as amended and supplemented, or pursuant to any other enabling authority, the sum of Five Hundred Thousand Dollars (\$500,000).

Under Suspension of Rules
Readings Waived and Approved
23 yeas, 0 nays, 1 absent (Ald. Sangiolo)

(SGD) DAVID A. OLSON
City Clerk

(SGD) DAVID B. COHEN
Mayor

Date: _____

(SGD) PAUL E. COLETTI, Chairman
Finance Committee



City of Newton, Massachusetts
Office of the Mayor

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(617) 796-1089

SETTI D. WARREN
MAYOR

E-mail
swarren@newtonma.gov

March 30, 2010

Honorable Board of Alderman
Newton City Hall
1000 Commonwealth Ave
Newton MA 02459

10 MAR 30 PM 4:48
CITY CLERK
NEWTON, MA 02159

Ladies and Gentlemen:

In late December of 2009 the Board of Aldermen approved a \$500,000 bond authorization for five small sewer improvement projects. The bond authorization vote by the Board detailed individual appropriations for each project.

Bids have now been received by the Department of Public Works and three of the project budgets are higher than the bids and one is lower than the original estimate.

In order to allow the Public Works Department to move ahead with the completion of the sewer projects this construction season, the following transfers are necessary. I would therefore recommend the following transfers, requested by the City Engineer.

From: Oakdale Road Sewer Project	\$18,500
Farina Road Sewer Project	\$18,500
Irving Street Sewer Project	\$18,500
To: Old Farms Road Sewer Project	\$55,500

Thank you for your consideration of this matter.

Very truly yours,

Setti D. Warren
Mayor

From: Sewer Improvements	
37A401EA1-586010	\$18,500
37A401E2A-586010	\$15,500
37A401E3A-586010	\$15,500
To: Sewer Improvements	
37A401E4A-530203	\$55,500

1000 Commonwealth Avenue Newton, Massachusetts 02459

www.newtonma.gov



DEDICATED TO COMMUNITY EXCELLENCE

Sarah Ecker

From: "Wilkinson David, Comptroller City of Newton" <dwilkinson@newtonma.gov>
To: mcostello@newtonma.gov
Date sent: Tue, 30 Mar 2010 14:54:36 -400
Subject: (Fwd) bond authorization sewer projects
Copies to: secker@newtonma.gov
Priority: normal

Megan,

I the following communication from DPW is the back up for the attached letter that the Mayor needs to submit to the Board of Aldermen to allow the sewer projects to proceed this construction season.

Thank you.

----- Forwarded message follows -----

From: "Lou Taverna" <ltaverna@newtonma.gov>
To: dwilkinson@newtonma.gov
Date sent: Mon, 29 Mar 2010 08:46:22 -0400
Subject: bond authorization sewer projects
Copies to: frussell@newtonma.gov,
TJERDEE@newtonma.gov,
rferrara@newtonma.gov
Priority: normal

Dave,

The following sewer projects were bonded:

Oakdale Rd (37A401E1A) = \$125,000
Farina Rd (37A401E2A) = \$125,000
Irving St (37A401E3A) = \$135,000
Old Farm Rd (37A401E4A) = \$115,000
Total = \$500,000

We received bids on the Oakdale, Farina, and Irving sewer construction projects, for a total bid of \$168,053. The bids are much lower than expected due to the the favorable bidding climate. The Old Farm Rd project is a design project.

I divided the bid costs as follows;

Oakdale Rd (37A401E1A) = \$68,000
Farina Rd (37A401E2A) = \$68,000
Irving St (37A401E3A) = \$68,053
Total \$168,053

The Old Farm Rd sewer design costs are higher than estimated. I actually need \$170,500 to fund the sewer portion of the design. I would like to transfer the following funds:

FROM:

Oakdale Rd (37A401E1A) = \$18,500
Farina Rd (37A401E2A) = \$18,500
Irving St (37A401E3A) = \$18,500

TO:
Old Farm Rd (37A401E4A) = \$55,000

Thanks,

Lou
Louis M. Taverna, P.E.
City Engineer
Newton Department of Public Works
1000 Commonwealth Ave
Newton, MA 02459
Phone: 617-796-1020
Fax: 617-796-1051
E-Mail Address: Ltaverna@newtonma.gov
----- End of forwarded message -----David Wilkinson, Comptroller
City of Newton, Massachusetts
(617) 796-1305
dwilkinson@newtonma.gov

#399-09

CITY OF NEWTON
IN BOARD OF ALDERMEN

December 21, 2009

(Various Sewer System Improvements)

ORDERED:

That for the purpose of paying costs of designing and constructing sewer system improvements at Oakdale (\$125,000), Farina (\$125,000) and Irving Street (\$135,000) and to pay costs of engineering and designing sewer system improvements on Old Farm Road (\$115,000), and for the payment of any and all other costs associated therewith, there be and hereby is appropriated and authorized to be borrowed under and pursuant to Chapter 44, Section 7(1) of the General Laws, as amended and supplemented, or pursuant to any other enabling authority, the sum of Five Hundred Thousand Dollars (\$500,000).

Under Suspension of Rules
Readings Waived and Approved
23 yeas, 0 nays, 1 absent (Ald. Sangiolo)

(SGD) DAVID A. OLSON
City Clerk

(SGD) DAVID B. COHEN
Mayor

Date: _____

(SGD) PAUL E. COLETTI, Chairman
Finance Committee



SETTI D. WARREN
MAYOR

City of Newton, Massachusetts
Office of the Mayor

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E-mail
swarren@newtonma.gov

NO MAR 30 PM 4: 09
CITY CLERK
NEWTON, MA. 02159

March 30, 2010

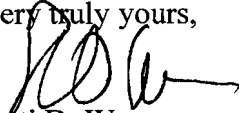
Honorable Board of Aldermen
Newton City Hall
1000 Commonwealth Avenue
Newton, MA 02459

Ladies and Gentlemen:

I write to request that your Honorable Board docket for consideration a request to appropriate the sum of \$200,000 from wage reserve to the payroll accounts of the Department of Public Works. This sum represents an additional amount to cover projected wages through the end of the fiscal year pursuant to the agreement reached with the Newton Municipal Employees Association in June 2009.

Thank you for your consideration of this matter.

Very truly yours,


Setti D. Warren
Mayor

From: Municipal Wage Reserve
0110498-R5197 \$200,000
To: DPW Salaries
0140101-5197 \$200,000


3/31/2010

1000 Commonwealth Avenue Newton, Massachusetts 02459

www.newtonma.gov



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City of Newton



Setti D. Warren
Mayor

DEPARTMENT OF PUBLIC WORKS #112-10
OFFICE OF THE COMMISSIONER
1000 Commonwealth Avenue
Newton Centre, MA 02459-1449

To: Setti D. Warren, Mayor
Thru: Robert Rooney, Chief Operating Officer
From: Thomas E. Daley, P.E., Commissioner *pl*
Subject: NMEA Retroactive Pay and Projected FY10 Salary Shortfall
Date: March 30, 2010

A DPW review of anticipated year end spending, including credits associated with the value of vacant positions and billing of labor to third parties (i.e. CDBG, C90, etc.), reflects a projected year-end shortfall of \$200,000. It appears insufficient funds were placed into the DPW wage accounts to cover the impact of the NMEA contract agreement in the FY10 budget. Accordingly, DPW respectfully requests a transfer of \$200,000 into the DPW wage accounts to pay for projected year end wage needs. Of note, the projected shortfall associated with NMEA settlement will also impact the Utilities and Stormwater Division budgets. DPW anticipates these expenses will either be absorbed within the affiliated budgets, primarily through the maintenance of vacant positions, or require smaller scale transfers from the reserve funds as part of the year-end close out process. All DPW wage accounts will be closely monitored through the remainder of the fiscal year in recognition of the acknowledged shortfall.

Thank you for your consideration of this matter. Please let me know if you have any further questions.

CC: S. Ecker, Acting Chief Financial Officer
D. Turocy, DPW Deputy Commissioner
K. Griffey, DPW Director of Administration
R. Ferrara, DPW Chief of Budget and Finance

**COMPTROLLER'S OFFICE
CITY OF NEWTON, MASSACHUSETTS**
dwilkinson@newtonma.gov
(617) 796-1305

April 8, 2010

TO: Finance Committee

FROM: David Wilkinson

SUBJECT: Docket Item #112-10 - DPW Wages: Supplemental Funding

=====

The original fiscal year 2010 Public Works Department budget, approved by the Board of Aldermen in May of 2009, included funding for all Newton Municipal Employee Association (NMEA) employees (except for the six man crew whose compensation is funded from other sources) at their June 30, 2006 pay rates. No funds were included in the budget for retroactive pay for fiscal years 2007 – 2009, however, \$593,950 was included in a departmental wage reserve account for the projected July 1, 2009 pay rates (the difference between budgeted June 30, 2006 pay rates and anticipated increases for the July 1, 2006 to June 30, 2009 time period).

Subsequent to the adoption of the budget, the City and NMEA agreed to a new collective bargaining contract covering the period July 1, 2006 through June 30, 2009. On July 7, 2009 Mayor Cohen docketed a request for a \$120,970 supplemental appropriation to fund the retroactive portion of the new contract and noted that fiscal year 2010 costs associated with the contract settlement were currently available in the DPW wage reserve account. The Board of Aldermen approved the supplemental funding requested by the Mayor on August 10, 2009 under board order # 202-09(A).

The primary reason for the DPW supplemental funding request currently before the Board of Aldermen is that the supplemental funding request of July 7, 2009 is approximately \$200,000 less than all amounts available to make retroactive payments to NMEA employees. It's likely that the former administration under-funded their request for retroactive funding in anticipation of a combination of attrition based salary savings and private duty work in the DPW budget for fiscal year 2010. Based upon the current projections by both the DPW and Comptroller's Office, attrition savings and private work are not expected to be sufficient to fund the complete difference between the \$708,611 cost of retroactive payments and the \$120,970 in supplemental funding voted for this purpose.



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swarren@newtonma.gov

March 30, 2010

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

Ladies and Gentlemen:

I request that your Honorable Board docket for consideration a request to appropriate \$617,995.52 from Receipts Reserved Fund 14, Account 3314L (Cable Reserve Funds) for the reinvestment and expansion of Newton North's and Newton South's television and media production facilities.

The appropriation will be used to fund (A) equipment for video classes, computer special effects classes, and NSHS's Film Club; (B) a lighting grid for the new NNHS video studio; (C) control room equipment and fixed cameras for the new NNHS video studio; (D) portable field equipment for students in the NNHS video production classes; (E) equipment and software for the NNHS video editing room; (F) equipment and software for 22 video editing stations; (G) one FTE program aide to be split 0.75/0.25 between NNHS and NNHS.

Thank you for your consideration of this matter.

Very truly yours,

Setti D. Warren
Mayor

10 MAR 30 PM 4:09
CITY CLERK
NEWTON, MA. 02159

1000 Commonwealth Avenue Newton, Massachusetts 02459

www.newtonma.gov



DEDICATED TO COMMUNITY EXCELLENCE



Newton North High School, 360 Lowell Avenue Newton, MA 02460

617.559.6400 x454265 617.559.6204 fax NewtonNorthTV@gmail.com

Newton North Television

FR: Neil Giordano, Newton North television production/English Dept.
Carol Ober, Newton South media arts/Media Lab

TO: Maurya Sullivan, City of Newton Planning Dept.
Jennifer Price, Principal, Newton North H.S.
Joel Sternbridge, Principal, Newton South H.S.
Diana Robbins, Director, Career and Technical Education, N.P.S.

CC: Bob Kelly, Executive Director, NewTV/NCAC
James Marini, Acting Superintendent of Schools
Tom Fabian, Newton North English Dept.
Paul Shapiro, technology consultant, new North construction

DA: February 18, 2010

RE: **"Phase 3"** of Newton high schools' television program investment

We herewith submit the third and final request for funds from the City of Newton's cable receipts reserve account for further reinvestment and expansion of Newton North's and Newton South's future television and media production facilities, for both capital needs and operating expenses.

Since the previous request ("Phase 2", July 2009), Newton North and Newton South have combined efforts into a joint program, which will offer production opportunities to students from both high schools, grades 9 to 12. With this infusion of funds, both schools will together comprise a joint program in broadcasting, media arts, and film production. Newton North will operate with a fully equipped television studio and will host and provide curriculum for the

citywide Career and Technical Education program in broadcasting and production for students from both schools. Newton South will continue to operate in their Media Lab facility with its existing blue screen and lighting grid, and will expand their course offerings in video production and media arts, specifically with a new course focusing on narrative videos, from documentaries to fiction, shot on location and in the studio.

Both programs will function independently, and South students who wish to continue their studies will have the opportunity to feed into North's citywide CTE program.

To this end, the Newton South program is in need of updated technology: camcorders, portable switching capability, audio and lighting equipment, and computers for editing (see attached **Appendix A**). This equipment will be used not only by students in the video classes, but also by South's Film Club and the Computer Special Effects students, as well as faculty and students throughout the building for special projects.

Concurrently, the final phase of rebuilding the Newton North production program will require that the new studio space be outfitted in the new Newton North school building. With the new North coming close to completion, time is of the essence to get this studio completed in time for the 2010–2011 school year.

North's capital needs request consists of five separate components: (1) a new lighting grid for the studio; (2) a control room and studio furnishings, including studio cameras; (3) ENG (Electronic News Gathering) field equipment (portable equipment); (4) furnishings for the editing space adjacent to the studio, (5) computer editing stations (this budget line is carried over from the Phase 2 proposal).

Barbizon Lighting Co., based in Woburn (a Massachusetts state-approved contractor) has produced an extensive design proposal for a new lighting and dimming system. Their plan includes the fixtures themselves, a control board/dimming system, as well as new curtains/cycloramas. Nothing from the current studio can be salvaged: the lights are either non-functional and/or pose a fire hazard (new lights will be low-heat high-efficiency fluorescents), and the curtains are torn and have not been fireproofed in many years. Their quote is summarized in **Appendix B**.

The new North studio control room (costs estimated by Access A/V of Concord, NH, and Camera Company of Norwood, Mass., in **Appendix C**)—with a new digital switcher, a capture and playback system, and a new audio control and character generator—has been designed with 3 needs in mind: (1) to provide a teaching space for CTE students who will need the skills and familiarity with equipment used in the industry; (2) to provide learning opportunities for the maximum number of students, i.e., if 20 students are in a class, each will have a studio assignment; (3) playback (broadcast) capability to send a signal throughout the Newton North building and, for possible future or part-time hosting of the NewTV Green Channel, to broadcast to the community at large through the cable companies.

As for field equipment, North continues to be in dire need of more field/location cameras and audio equipment. (also estimated by Camera Company, **Appendix D**) The program is currently running with only 4 consumer-grade cameras (Canon GL-2s), and 4 functioning microphones of varying quality. We continue to be plagued with equipment shortages and failures that have hindered production this year. Consumer-grade equipment, while better than nothing, is not built to be used as extensively as we use ours, so, unfortunately, the cheaper the equipment, the shorter usable lifespan can be expected. For instance, 2 of our GL-2 cameras, which are not even 1-year old, have been repaired already (under warranty) because of constant use.

Additionally, the adjacent North classroom/editing space will need a few items to customize it for editing. This includes three televisions (one portable to be pulled into the studio itself), DVD/Blu-ray players, external hard drives, and assorted accessories. (**Appendix E**)

We are also carrying over the computer equipment from the Phase 2 proposal. The computer editing stations at North—an array which was estimated by Apple Computer last year—are attached as **Appendix F**. (Portable field equipment that had been specified in the Phase 2 proposal has been blended into Appendix D. Classroom accessories from the Phase 2 proposal have been blended into Appendix E.)

Finally, we are also requesting funds from the operating expenses portion of the cable monies to cover the costs of a full-time technical program aide (1.0 FTE) (**Appendix G**). The current aide position was previously full-time at North until recent years. Currently, the aide works approximately 12 hours at North each week, and starting in the spring semester 2010, will work 4 hours at South. With this proposed expansion of the program, an aide's technical expertise will be urgently needed at both schools. The aide's time, as it is currently, can be shared between schools as needed, likely on the order of a 0.75/0.25 split for NNHS/NSHS.

With this program up and running at full strength as soon as September 2010, we look forward to sharing the resources of the high school programs with the middle schools and elementary schools throughout Newton. As video rapidly and inexorably becomes the *lingua franca* of the current generation of students in our schools, multimedia and video have become an invaluable educational tool as well as a critical communication skill for all of us in the 21st century. As such, future requests for funds—"Phase 4" and beyond—will no doubt comprise ways in which the technology capital as well as our high school students' talents can contribute to the educational programs and outcomes at the K-8 level.

If you have any questions or comments, please contact Neil in the North studio at 617.559.6400 x454265, and Carol in the South media lab at 617.559.6564. Thank you for your assistance.

APPENDIX A: Newton South HS Video Program

Newton South Media Lab updates					
1	Datavideo SE-800	Video mixer	Datavideo Switcher 4 input DV Switcher, w/ effects	\$4,500.00	\$ 4,500.00
1	Delvcam DELV-RCLCD	Monitors	Dual 7 Inch Rackmount LCD Monitor with Dual Looping Inputs	\$ 400.00	\$ 400.00
1	V-R53P	Monitors	Triple 5 Inch Rackmount LCD Monitor	\$2,000.00	\$ 2,000.00
6	25' XLR Cable	Cable	XLR Cable -25 ft.	\$ 50.00	\$ 300.00
3	100' M XLR to F XLR	Cable	XLR Cable 100 ft.	\$ 130.00	\$ 390.00
10	1.5' BNC to BNC	Cable	BNC to BNC Video Cable 1.5 Ft	\$ 10.00	\$ 100.00
10	6' BNC to BNC	Cable	BNC to BNC Video Cable 6 Ft	\$ 14.00	\$ 140.00
3	100' BNC to BNC	Cable	BNC to BNC Video Cable 100 Ft	\$ 45.00	\$ 135.00
1	JVC BR-HD50U	VTR	HD/DV/CAM Video VTR	\$3,500.00	\$ 3,500.00
1	Xenyx 1002B	Audio Mixer	Behringer Xenyx 1002B 10 input Mixer	\$ 150.00	\$ 150.00
2	Shure SM 58	Mics	SM58 Vocal mic	\$ 100.00	\$ 200.00
2	Shure SM57	Mics	SM 57 Mic	\$ 100.00	\$ 200.00
4	Sennheiser ew 114 G3	Wireless Mics	Wireless Lavalier mic system.	\$ 500.00	\$ 2,000.00
4	Digital Voice Recorder	Digital Voice Recorder	Sony ICD-SX700 USB Digital Voice Recorder	\$ 150.00	\$ 600.00
2	Lowell DV-901Z DV	Light Kit	Lowell DV-901Z DV Creator 1 Light Kit	\$1,125.00	\$ 2,250.00
2	Imac 27" Quad Core	Imac 27" Quad Core Computer	2.8 GHz/8 GB (2x4GB) RAM/2TB HD	\$3,000.00	\$ 6,000.00
1	Aleratec DVD Tower Publisher	DVD Burner	Aleratec DVD Tower Publisher 1:3	\$ 480.00	\$ 480.00
5	Sony HC9	Consumer DV Camcorder	DV Camcorder Sony HC9	\$1,000.00	\$ 5,000.00
1	Sony FX7	Prosumer DV Camcorder-	DV Camcorder Sony FX7	\$2,200.00	\$ 2,200.00
5	Bogen/Manfrotto 128RC/055XDB	Tripods (for Sony HC9)	Mini-Fluid Head w/QR plate (128RC) Basic Tripod Legs (055XDB)	\$ 210.00	\$ 1,050.00

1	Bogen/Manfrotto heavy duty	Tripods (for Sony FX7)	755MF3	\$ 500.00	\$ 500.00
2	Bogen Dolly heavy duty	Bogen Dolly	114 - Cine/Video Deluxe Dolly	\$ 330.00	\$ 660.00
3	LaCie D2 Quadra	External Hard Drives	LaCie D2 Quadra	\$ 180.00	\$ 540.00
13	Seagate Barracuda Hard Drive	Internal Hard Drives	Seagate Barracuda Hard Drive 1.5 TB SATA 3.0Gb/x, 7,200 RPM	\$ 115.00	\$ 1,495.00
2	Final Cut Studio	Final Cut Studio	Final Cut Studio 3	\$ 820.00	\$ 1,640.00
1	Photoshop	Photoshop	Photoshop Extended CS4 - 2 computers	\$ 300.00	\$ 300.00
1	Security Cabinet	Security Cabinet	All Welded Heavy-Duty Storage Cabinet/14 gauge steel	\$1,520.00	\$ 1,520.00
8	Sennheiser HD280	Headphones	Sennheiser HD280	\$ 100.00	\$ 800.00
2	KRK VXT 6	Audio Monitors	Audio monitors, 1" tweeter, 6" woofer	\$ 450.00	\$ 900.00
1	Misc. Camera & Lighting Supplies	Misc.	Batteries, Adapters, Lamps, etc.	\$ 500.00	\$ 500.00
			TOTAL		\$40,450.00

QUOTING	#110-10
26298	01/07/10

QUOTE

CUT OFF

584255
NEWTON PUBLIC SCHOOLS
100 WALNUT ST.
ATTENTION: ACCOUNTS PAYABLE
NEWTONVILLE, MA 02460

CUT OFF

NEWTON NORTH HIGH SCHOOL
ATTN: NEIL GIORDANO
NEWTON, MA 02460

CUSTOMER REFERENCE		ATTENTION	SHIP VIA	SHIP TO	TAX		
NEWTON NORTH TV STED		NEIL GIORDANO	FELIX OROND	130	5		
LN	ITEM	DESCRIPTION	QUANTITY	UOM	UNIT PRICE	AMOUNT	
1	PACKAGE	COMPLETE STUDIO LIGHTING, DIMMING & CURTAIN PACKAGE INCLUDES THE FOLLOWING: FOR FRONT LIGHTING FLUORESCENT & ELLIPSOIDALS VIDESSENCE 4-LAMP HIGH POWER KEY W/PEAK DIN, CLAMP & LAMPS	1	EA	72137.62	72137.62	
5	P220-455BX-P	VIDESSENCE 4-LAMP HIGH POWER KEY W/PEAK DIN, CLAMP & LAMPS	4	EA	0.00	0.00	
6	18-P220-W	VIDESSENCE 4-LAMP POWER KEY ZONE CONTROL SCREEN - WIDE	4	EA	0.00	0.00	
7	429891	MATTHENS 2'-4' TELESCOPING TRIPLE EXTENSION HARNISH	4	EA	0.00	0.00	
8	89429812	STIRRUP	4	EA	0.00	0.00	
9	ETC450-750	SOURCE 4 750-50 #7060A1010 INCLUDES CF & C-CLAMP	3	EA	0.00	0.00	
10	ETC42550	SOURCE 4 ZOOM 25/50 #7060A1042 INCLUDES CF & CLAMP	1	EA	0.00	0.00	
11	2200	DONUT 7.5" X 7.5" FOR S4 ZOOM	1	EA	0.00	0.00	
SUBTOTAL		TAX	SHIPPING CHARGES	DISCOUNT	THANK YOU		Quote Valid Through
							02/06/10
						TOTAL QUOTE	

TERMS NET 30

QUOTE SUBJECT TO BARBIZON'S TERMS AND CONDITIONS
BEFORE ORDER IS MADE TO A SIGNATURE CHANGE

BARBIZON LIGHT OF N.E. INC.
3 DRAPER ST.
WOBBURN, MA 01891-4595

QUOTED BY JONATHAN LIPSY

ATTACHMENT B

APPENDIX C: Newton North TV Studio equipment/installation

Camera Equipment					
3	HPX500-EFF	Panasonic 2/3" P2/Studio Camcorder	\$ 9,845.00	\$	29,535.00
3	XA17X7.6BRM-M58B	Fujinon 2/3" 17x Lens	\$ 6,390.00	\$	19,170.00
3	300-Studio	Studio Package for HPX500 (includes) AG-CA300GPJ Camera Studio Adapter AG-BS300PJ Studio Base Station AG-EC4GPJ Remote Control	\$ 7,835.00	\$	23,505.00
3	BT-LH80WU	Panasonic 7.9" HD LCD Monitor/Viewfinder	\$ 2,228.00	\$	6,684.00
3	MS-11	Fujinon Broadcast Zoom/Focus Controllers	\$ 2,568.00	\$	7,704.00
3	Studio300/25	25M Camera Cable	\$ 778.00	\$	2,334.00
		Subtotal		\$	88,932.00
Tripods					
3	Pedestal C I	Sachtler Pedestal C I	\$ 2,599.50	\$	7,798.50
3	FSB 8	Sachtler FSB-8 Fluid Head	\$ 1,645.00	\$	4,935.00
3	DV 75 L	Additional Pan Bar for FSB-8	\$ 88.25	\$	264.75
		Subtotal		\$	12,998.25
Teleprompter					
3		Prompter People Proline Studio 17 w/25' VGA Cal	\$ 1,975.00	\$	5,925.00
1		Computer/Monitor for above			
1	VP-3XL	Kramer 1:3 VGA Distribution Amp	\$ 219.50	\$	219.50
1	RK-1	Kramer Rackmount for above	\$ 59.00	\$	59.00
		Subtotal		\$	6,203.50
Switcher/Signal processing					
1	AV-HS450N	Panasonic 16 Input HD Switcher Dual (3D-DVE, D	\$ 20,100.00	\$	20,100.00
1	811	Kramer 811 Blackburst & Test Generator	\$ 560.00	\$	560.00
1	RK-1	Kramer Rackmount for above	\$ 59.00	\$	59.00
1	VM-50V	Kramer Video DA	\$ 175.00	\$	175.00
1	VM-50AN	Kramer Audio DA	\$ 166.00	\$	166.00

1	RK-1	Kramer Rackmount for above	\$	59.00	\$	59.00
			Subtotal		\$	21,119.00
Character generator						
1	ConverG1 HD	Compix HD Character Generator	\$	13,330.00	\$	13,330.00
			Subtotal		\$	13,330.00
Audio Equipment						
1	PA28	Allen & Heath Mix PA Series 28 Input Mixer w/24	\$	1,010.50	\$	1,010.50
2	SMS5	EAW Speakers	\$	129.00	\$	258.00
1	CAZ800	EAW 800W Audio Amplifier	\$	276.25	\$	276.25
			Subtotal		\$	1,544.75
Monitors						
2	LMD5320	Sony Triple 5.6" LCD Monitor	\$	1,670.50	\$	3,341.00
1	TM-H150CGU	JVC 15" Professional Monitor (Program)	\$	495.00	\$	495.00
			Subtotal		\$	3,836.00
Intercom						
1	MS-702	Clearcom Main Station	\$	957.50	\$	957.50
5	CC-95-X5	Clearcom Single Muff Headset (5pin XLR)	\$	215.00	\$	1,075.00
4	RS-601	Clearcom Single Channel Beltpack	\$	238.25	\$	953.00
			Subtotal		\$	2,985.50
Installation (labor)						
				\$15,000.00		\$15,000.00
			Subtotal			\$15,000.00

Studio equipment and installation total \$165,949.00

APPENDIX D: Newton North portable/field (ENG) equipment

Portable Production capability and accessories			
2	AW-SG500E	Sony Anycast Station Portable Switcher	\$ 11,695.00 \$ 23,390.00
4	BKAW581	Sony Dual SDI Input Board for Anycast	\$ 1,758.00 \$ 7,032.00
1		Dell Inspiron Intel Core 2 Duo P8700 (2.53GHz/1066MHz FSB/ 3MB) (for use with Tricaster)	\$ 1,020.00 \$ 1,020.00
1		LiveControl switchboard (for use with Tricaster)	\$ 1,995.00 \$ 1,995.00
		subtotal	\$ 33,437.00
Portable Beginner-level ENG Gear			
5	AG-HVC70	Panasonic 1/4" CCD AVCHD Camcorder	\$ 1,775.00 \$ 8,875.00
5	VWVBG260PPK	Panasonic Additional Battery for HVC70	\$ 135.00 \$ 675.00
5	MC-70	Unidirectional Shotgun Mic	\$ 190.00 \$ 950.00
5	43MM-UV	43MM UV Protection Filter	\$ 10.00 \$ 50.00
5	AG-YUSC70H	Panasonic Soft Carrying Case w/LCD Hood	\$ 168.00 \$ 840.00
5	501HDV/028B	Manfrotto 501HDV Head w/028B Tripod	\$ 421.50 \$ 2,107.50
50	RP-SDM04GU1K	4GB SDHC Card	\$ 18.00 \$ 900.00
		subtotal	\$ 14,397.50
Portable Intermediate-level ENG Gear			
5	AG-HMC150	Panasonic 3x 1/3" CMOS AVCHD Camcorder	\$ 3,390.00 \$ 16,950.00
5	VWVBG260PPK	Panasonic Additional Battery for HVC150	\$ 135.00 \$ 675.00
5	72MM-UV	72MM UV Protection Filter	\$ 20.00 \$ 100.00
5	AG-YUSC150H	Panasonic Soft Carrying Case w/LCD Hood	\$ 135.00 \$ 675.00
5	501HDV/028B	Manfrotto 501HDV Head w/028B Tripod	\$ 421.50 \$ 2,107.50
50	RP-SDM04GU1K	4GB SDHC Card	\$ 18.00 \$ 900.00
		subtotal	\$ 21,407.50

Portable Advanced ENG Gear				
5	AG-HPX170	Panasonic 3x 1/3" CCD P2 Camcorder	\$ 3,950.00	\$ 19,750.00
5	CG-D54	Panasonic Additional Battery for HPX170	\$ 150.00	\$ 750.00
5	72MM-UV	72MM UV Protection Filter	\$ 20.00	\$ 100.00
5	CC-193	Kata Soft Carrying Case	\$ 120.00	\$ 600.00
5	501HDV/028B	Manfrotto 501HDV Head w/028B Tripod	\$ 421.50	\$ 2,107.50
10	AJ-P2E016XG	Panasonic 16GB P2 E Series Card	\$ 395.00	\$ 3,950.00
		subtotal	\$	\$ 27,257.50
Portable Audio Gear				
5	Rode NTG-2 Audio Kit	5 section fish pole, Rode shock mount, 25' XLR cable, Rycote Softie	\$ 649.00	\$ 3,245.00
10	ENG 44	Sign Video Portable Audio Mixer	\$ 475.00	\$ 4,750.00
10	ATH-M30	Audio Technica Professional Headphones	\$ 48.00	\$ 480.00
10	MXC-442	Portabrace MXC-442 Audio Combination Case	\$ 1,000.00	\$ 10,000.00
10	AT8314-50	50' Mic Cable	\$ 30.00	\$ 300.00
20	AT8314-25	25' Mic Cable	\$ 25.00	\$ 500.00
10	AT8314-10	10' Mic Cable	\$ 20.00	\$ 200.00
10	VP-64AL	Shure Interview Mic	\$ 88.00	\$ 880.00
10	EW112PG2	Sennheiser Wireless Lav Kit	\$ 480.00	\$ 4,800.00
10	NTG-2	Rode Shotgun Mic	\$ 205.00	\$ 2,050.00
10	AT8314-1.5	Audio Technica 1.5' Mic Cable	\$ 10.00	\$ 100.00
		subtotal	\$	\$ 27,305.00

GRAND TOTAL PORTABLE ENG \$ 123,804.50

APPENDIX E: Editing Room/Classroom Technology

2	Panasonic Viera flat panel HDTV (TC-50PS14)	50" HDTV	\$999.00	\$1,998.00
1	Samsung LN32B360C5D	32" LCD	\$399.00	\$399.00
3	Sony BDP-BX2	Blu-ray player	\$139.00	\$417.00
25	Shure SRH240	headphones	\$39.00	\$975.00
10	Sony GV-HD700 HDV Video Walkman VCR	tape deck for tape ingestion	\$1,049.00	\$10,490.00
25	EZQuest 1 TB drive	external hard drive	\$245.00	\$6,125.00
1	Bravo-Pro DVD a 50-Disc Publisher - 16x DVD+/-R and 32x CD Automatic Duplicator and Printer with 4x DVD+R Dual Layer, 100-Disc Option and USB 2.0 Connector - Mac/Win	DVD duplicator and publisher	\$2,399.95	\$2,399.95
		TOTAL		\$22,803.95

APPENDIX F: Newton North editing stations/software/servers

Description	Part #	Qty	Unit price	Ext Price
Editing Stations (iMac and MacPro)				
iMac 27-inch desktop computer, 2.8GHz Quad-Core Intel Core i7, 16GB 1066MHz DDR3 SDRAM - 4x4GB, 1TB Serial ATA Drive, 8x double-layer SuperDrive		20	\$ 3,768.00	\$ 75,360.00
Mac Pro, Two 2.26GHz Quad-Core Intel Xeon/12GB (6x2GB)/1TB 7200-rpm Serial ATA 3Gb/s/ATI Radeon HD 4870 512MB/Two 18x SuperDrives		2	\$ 3,999.00	\$ 7,998.00
Apple LED Cinema Display 24"	MB38wLL/A	2	\$ 799.00	\$ 1,598.00
AppleCare Protection Plan for Mac Pro and Display	BD791LL/A	2	\$ 199.00	\$ 398.00
Mac OSX Maintenance 3 years	D2088LL/A	22	\$ 99.00	\$ 2,178.00
Final Cut Studio				
Final Cut Studio 2 (site license)	D4319Z/A	1	\$ 4,999.00	\$ 4,999.00
Final Cut Studio 2 Media Set	MA892ZM/A	1	\$ 15.00	\$ 15.00
Final Cut Studio 2 Doc Set	MA893Z/A	1	\$ 20.00	\$ 20.00
Promise Vtrak E-Class RAID Subsystem				
Promise VTrak E-Class 16x 1TB SATA RAID subsystem (16TB)	TV299VC/A	1	\$ 13,499.00	\$ 13,499.00
Promise VTrak E-Class Spare Parts Kits Includes RAID controller, power supply, fan	TV276ZM/A	1	\$ 3,419.00	\$ 3,419.00
Apple Copper Fibre Channel Cable (4Gb SFP to SFP)	MA461G/A	4	\$ 89.00	\$ 356.00
Xserve - (Metadata Controller - OD Replica)				
One 2.26GHz Quad-Core Intel Xeon processor/ 2x160GB/6GB (3 x 2GB) RAM/4Gb Fibre Channel/Unlimited Client /DisplayPort/VGA adapter/Dual PowerSupply/Square Hole Rack Mount	Z0FR	1	\$ 3,683.00	\$ 3,683.00
Mac OS X Server Maintenance 3yrs.	D2336Z/A	1	\$ 499.00	\$ 499.00
AppleCare Premium Service & Support Plan for Xserve (3yrs of hw support)	MB595LL/A	1	\$ 760.00	\$ 760.00
Backup)				
				\$ 4,942.00

Two 2.66GHz Quad-Core Intel Xeon processors/ 2x160GB/ 12GB (6 x 2GB) RAM/4Gb Fibre Channel/Unlimited Client/ Display Port/VGA adapter/Dual PowerSupply/Square Hole Rack	Z0GM	1	\$ 5,753.00	\$ 5,753.00	
Mac OS X Server Maintenance 3yrs.	D2336Z/A	1	\$ 499.00	\$ 499.00	
AppleCare Premium Service & Support Plan for Xserve (3yrs of hw support)	MB595LL/A	1	\$ 760.00	\$ 760.00	
Final Cut Server - Unlimited	MA997Z/A	1	\$ 599.00	\$ 599.00	\$ 7,611.00
Miscellaneous items					
AppleCare Service Parts Kit for Xserve	MB846G/A	1	\$ 799.00	\$ 799.00	
Apple Remote Desktop 3.2 (unlimited)	MB423Z/A	1	\$ 299.00	\$ 299.00	
Mac OS X Server Software Support Select	MB040ZM/C	1	\$ 4,796.00	\$ 4,796.00	\$ 5,894.00
Gigabit switch for Metadata network					
3Com Baseline 2824 24 Port GB Switch	TV317LL/A	1	\$369.95	\$ 369.95	\$ 369.95
Tandberg Backup Unit and Tapes					
Tape Autoloader, 19.2TB Native Capacity with Backup Software	TP273LL/A	1	\$ 7,569.95	\$ 7,569.95	
Tandberg Data LTO Cleaning Cartridge	TQ803LL/A	1	\$ 64.95	\$ 64.95	
Tandberg Data LTO-4 Tape 800GB/1.6TB	TQ818LL/A	24	\$ 79.95	\$ 1,918.80	\$ 9,553.70
UPS (for servers/switches/backup)					
APC Smart-UPS 3000VA USB (Note* Requires NEMA L5-30P Input Connection)	T7634LL/A	1	\$ 1,199.95	\$ 1,199.95	
APC SNMP Network Management Card	T6077LL/A	1	\$ 239.95	\$ 239.95	\$ 1,439.90
Rack Enclosure					
APC NetShelter SX Enclosure 42U with Sides (Black)	TJ226LL/A	1	\$ 1,149.95	\$ 1,149.95	
APC Rack PDU - 10x15A Outlet, 1U (AP9562)	TA726LL/A	1	\$ 89.95	\$ 89.95	\$ 1,239.90
Professional Services					
Image Creation	D4700LL/A	1	\$ 4,500.00	\$ 4,500.00	
Final Cut Server	D2344LL/A	1	\$ 7,460.00	\$ 7,460.00	\$ 11,960.00
				\$152,850.45	\$152,850.45

APPENDIX G: Newton high schools TV/video program aide

Salary-- 1.0 FTE aide position, TV/video production, NSHS and NNHS	\$ 25,000	\$ 25,000
Benefits--1.0 FTE aide position, TV/video production, NSHS and NNHS	\$ 15,000	\$ 15,000
Total FTE 1.0 aide position	\$ 40,000	\$ 40,000

Total \$40,000

Appendix	Amount	Purpose	Fund Source	School
A	10 MAR 31 AM 10:44 \$40,450.00	Equipment	Capital	South
B	\$72,137.02	Lighting	Capital	North
C	\$155,045.00	Control Room & Studio Equipment	Capital	North
D	\$123,804.50	Portable Field Equipment	Capital	North
E	\$22,803.95	Editing Facilities	Capital	North
F	\$152,850.45	Computer Editing Stations	Capital	North
G	\$40,000.00	Aide Position (0.75/0.25)	Operating	North & South
TOTAL	\$617,995.52			



City of Newton, Massachusetts Community Preservation Committee



Setti D. Warren
Mayor

MEMORANDUM

DATE: 8 April 2010

TO: Board of Aldermen, Finance Committee
Planning Department staff:

CC: Amy Yuhasz, Assoc. Director of Housing & Community Development
Trisha Guditz, Housing Program Manager

FROM: Alice Ingerson, for the Community Preservation Committee

ABOUT: information requested for discussion of
**docket item 28-10, recommended funding for
VETERAN HOUSE (2148-50 Commonwealth Avenue)**

Attached please find the following requested information.

We have added headers identifying each document as part of sections **1.**, **2a.**, **2b.**, or **2c.**, and **3.**, and numbering pages within each section.

- 1. CAN-DO audited financial statements for 2009** 23 pp.
 - 2. Planning & Development Board review of CAN-DO's finances, 1 March 2010**
 - a. P&D staff memo to the CPC &** 1 p.
earlier letter from CAN-DO 3 pp.
 - b. background: CAN-DO letter & financial information** 23 pp.
including: 1 p. cover sheet
3 pp. ltr from CAN-DO
19 pp. financials
 - c. minutes of 1 March 2010 P&D Board discussion** 2 pp.
 - 3. Federal Home Loan Bank of Boston developer fee guidelines for affordable housing projects** 1 p.
- | | |
|------------------|--------|
| | 54 pp. |
| total submitted, | |
| incl. this memo | |

Most information previously submitted for this item is available from this webpage:
www.newtonma.gov/cpa/projects/veteran/veteran.htm

WEBSITE: <http://www.newtonma.gov/cpa>

CONTACT: Alice E. Ingerson, Community Preservation Program Manager,
aingerson@newtonma.gov, 617.796.1144

**CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.**

**Financial Statements
December 31, 2009
(With Comparative Totals for 2008)**

**CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.**

FINANCIAL STATEMENTS
DECEMBER 31, 2009
(WITH COMPARATIVE TOTALS FOR 2008)

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Statement of Cash Flows	5-6
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<u>Additional Information</u>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	20-21

SANDBERG, GONZALEZ & CREEDEN, P.C.

S, G & C

CERTIFIED PUBLIC ACCOUNTANTS

331 PAGE STREET

STOUGHTON, MA 02072

TELEPHONE (781) 344-0850

FAX (781) 344-6960

To the Board of Directors of
Citizens for Affordable Housing in Newton
Development Organization, Inc.
W. Newton, Massachusetts

Independent Auditors' Report on the Financial Statements

We have audited the accompanying statement of financial position of Citizens for Affordable Housing in Newton Development Organization, Inc. as of December 31, 2009, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Citizens for Affordable Housing in Newton Development Organization, Inc. as of December 31, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated March 23, 2010, on our consideration of Citizens for Affordable Housing in Newton Development Organization, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.



SANDBERG, GONZALEZ & CREEDEN, P.C.
Certified Public Accountants

Stoughton, Massachusetts
March 23, 2010

**CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.**

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2009

(WITH COMPARATIVE TOTALS FOR 2008)

#28-10

	<u>ASSETS</u>	
	<u>2009</u>	<u>2008</u>
<u>Current Assets</u>		
Cash and cash equivalents	\$ 5,737	\$ 9,486
Operating reserves	111	108
Accounts receivable	4,868	23,547
Prepaid insurance and taxes	<u>7,397</u>	<u>12,230</u>
Total current assets	18,113	45,371
<u>Property and Equipment</u>		
Land	803,688	945,302
Buildings	3,561,943	4,131,602
Building improvements	2,414,068	2,451,604
Furniture and equipment	<u>12,047</u>	<u>21,209</u>
Subtotal	6,791,746	7,549,717
Less: accumulated depreciation	<u>1,271,602</u>	<u>1,135,361</u>
Total property and equipment	5,520,144	6,414,356
<u>Other Assets</u>		
Replacement reserves	599	4,084
Housing under development	675,530	
Security deposits	<u>15,041</u>	<u>17,299</u>
Total other assets	<u>691,170</u>	<u>21,383</u>
<u>Total Assets</u>	<u>\$ 6,229,427</u>	<u>\$ 6,481,110</u>

	<u>LIABILITIES AND NET ASSETS</u>	
<u>Current Liabilities</u>		
Line of credit	\$	\$ 77,068
Credit cards	70,497	74,145
Accounts payable	35,707	27,796
Accrued expenses	67,307	61,527
Notes payable	50,000	50,000
Mortgage payable - current portion	340,518	783,061
Tenant security deposits	15,041	17,749
Accrued and deferred interest	63,836	60,504
Revolving loan pool	<u>20,000</u>	<u>20,000</u>
Total current liabilities	662,906	1,171,850
<u>Long-Term Liabilities</u>		
Mortgage payable	<u>5,917,777</u>	<u>5,872,995</u>
Total long-term liabilities	5,917,777	5,872,995
<u>Net Assets</u>		
Unrestricted	(395,269)	(563,735)
Temporarily restricted	<u>44,013</u>	<u></u>
Total net assets	<u>(351,256)</u>	<u>(563,735)</u>
<u>Total Liabilities and Net Assets</u>	<u>\$ 6,229,427</u>	<u>\$ 6,481,110</u>

See accompanying notes. See Independent Auditors' Report.

**CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.**

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE TOTALS FOR 2008)

	2009			2008
	Unrestricted	Temporarily Restricted	Total	Total
<u>Support and Revenue</u>				
Support:				
Contributions	\$ 3,995	\$ 34,013	\$ 38,008	\$ 84,398
In-kind contributions				587
Special events	108,478	10,000	118,478	100,466
Revenue:				
Deferred rental income	5,161		5,161	
Government grants	34,091		34,091	73,956
Rental income	385,813		385,813	395,940
Management fees	2,600		2,600	2,600
Interest income	89		89	105
Total support and revenue	540,227	44,013	584,240	658,052
<u>Expenses</u>				
Housing development	27,713		27,713	32,938
Rental activities	554,034		554,034	598,917
Total program expenses	581,747		581,747	631,855
General and administrative	97,598		97,598	92,231
Fundraising	59,746		59,746	59,003
Total expenses	739,091		739,091	783,089
<u>Change in Net Assets - Before Other Income (Loss)</u>	(198,864)	44,013	(154,851)	(125,037)
<u>Other Income (Loss)</u>				
Debt forgiveness	529,289		529,289	108,455
Sale of property under development	(161,959)		(161,959)	(432,117)
Total other income (loss)	367,330		367,330	(323,662)
<u>Change in Net Assets - After Other Income (Loss)</u>	168,466	44,013	212,479	(448,699)
<u>Net Assets - Beginning of Year</u>	(563,735)		(563,735)	(115,036)
<u>Net Assets - End of Year</u>	\$ (395,269)	\$ 44,013	\$ (351,256)	\$ (563,735)

See accompanying notes. See Independent Auditors' Report.

**CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
DECEMBER 31, 2009
(WITH COMPARATIVE TOTALS FOR 2008)**

	2009				2008	
	Housing Development	Rental Activities	Total Program	General and Administrative	Fundraising	Total
Salaries	\$ 10,438	\$ 41,753	52,191	\$ 26,095	\$ 26,095	\$ 104,381
Payroll taxes	720	2,877	3,597	1,799	1,799	7,195
Employee benefits	1,410	5,641	7,051	3,526	3,526	14,103
Salaries and related expenses	<u>12,568</u>	<u>50,271</u>	<u>62,839</u>	<u>31,420</u>	<u>31,420</u>	<u>125,679</u>
Advertising				560	308	868
Architect						804
Bank charges	260	693	953	300	1,490	2,743
Capital expenditures						3,399
Condo fees		4,296	4,296			4,296
Conferences				372		372
Consultants		5,980	5,980	15,743		21,743
Depreciation		191,952	191,952	548		192,500
Donations		300	300	100		400
Dues and subscriptions				1,574		1,574
Event expenses					13,406	13,406
Exterminating		716	716			716
Filing fees	85	225	310	268		578
Facility maintenance	177	49,350	49,527	985		50,512
Insurance		20,963	20,963	5,525		26,488
Interest	10,394	107,534	117,928	15,296		133,224
Landscaping		4,270	4,270			4,270
Legal fees		2,963	2,963	234		3,197
Management fees		10,749	10,749			10,749
Miscellaneous expenses		623	623			623
Payroll services	343	1,368	1,711	855	855	3,421
Postage				680	450	1,130
Printing				3,211	3,469	6,680
Professional fees				10,000		10,000
Real estate taxes		41,841	41,841			41,841
Rent	2,552	10,208	12,760	6,380	6,380	25,520
Repairs and maintenance	573	2,560	3,133			3,133
Security		138	138			138
Supplies	58	276	334	1,549	210	2,093
Supportive services		12,616	12,616			12,616
Telephone	360	1,439	1,799	900	900	3,599
Travel	13	51	64	32	32	128
Utilities		31,333	31,333	220		31,553
Vehicle expenses	330	1,319	1,649	826	826	3,417
Total	<u>\$ 27,713</u>	<u>\$ 554,034</u>	<u>\$ 581,747</u>	<u>\$ 97,598</u>	<u>\$ 59,746</u>	<u>\$ 739,091</u>
						<u>\$ 783,089</u>



See accompanying notes. See Independent Auditors' Report.

**CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE TOTALS FOR 2008)

	<u>2009</u>	<u>2008</u>
<u>Cash Flows From Operating Activities</u>		
Change in net assets	\$ 212,479	\$ (448,699)
Adjustment to reconcile change in net assets to cash provided by operating activities:		
Depreciation	192,500	208,233
Debt forgiveness	(529,289)	(108,455)
In-kind development costs		(587)
(Increase) decrease in:		
Accounts receivable	18,679	(21,710)
Prepaid insurance	4,833	(1,273)
Increase (decrease) in:		
Credit cards	(3,648)	(9,094)
Accounts payable	7,911	(34,649)
Accrued expenses	5,780	5,880
Accrued and deferred interest	3,332	
Tenant security deposits	(2,708)	(938)
<u>Net Cash (Used) by Operating Activities</u>	<u>(90,131)</u>	<u>(411,292)</u>
<u>Cash Flows From Investing Activities</u>		
Purchase of land, building and improvements	(711,972)	(14,914)
Sale of developed units	738,154	858,400
Increase in replacement reserves (net)	3,485	3,013
Security deposits (net)	2,258	(938)
<u>Net Cash Provided by Investing Activities</u>	<u>31,925</u>	<u>845,561</u>
<u>Cash Flows From Financing Activities</u>		
Proceeds from mortgages	914,450	398,015
Repayment of mortgage principal	(782,922)	(870,327)
Borrowing on line of credit	5,456	22,267
Repayment of line of credit	(82,524)	(2,249)
<u>Net Cash Provided (Used) by Financing Activities</u>	<u>54,460</u>	<u>(452,294)</u>
<u>(Decrease) in Cash and Cash Equivalents</u>	<u>(3,746)</u>	<u>(18,025)</u>

See accompanying notes. See Independent Auditors' Report.

**CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE TOTALS FOR 2008)

(Continued)

	2009	2008
<u>Cash and Cash Equivalents - Beginning of Year</u>	9,594	27,619
	<u>Beginning</u>	<u>Ending</u>
Cash and cash equivalents	\$ 9,486	\$ 5,737
Operating reserves	108	111
	\$ 9,594	\$ 5,848
 <u>Cash and Cash Equivalents - End of Year</u>	 \$ 5,848	 \$ 9,594
 SUPPLEMENTAL INFORMATION:		
Interest paid and expensed	\$ 133,224	\$ 173,031
Write off of fully depreciated equipment	\$ 9,162	\$ 0

See accompanying notes. See Independent Auditors' Report.

**CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.**

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

Note 1. Organization

Citizens for Affordable Housing in Newton Development Organization, Inc. (CAN-DO), was organized in January, 1994 in the Commonwealth of Massachusetts as a not-for-profit corporation. The purpose of the Organization is to expand the supply of decent and affordable housing in Newton, Massachusetts. The purpose is accomplished by promoting the development, construction and conversion of properties and serving as a Community Housing Development Organization.

The Organization currently owns and rents four residential properties with a total of 8 affordable housing units. In addition, the Organization has two transitional housing properties with a total of eight units and one group home that houses six people.

Note 2. Summary of Significant Accounting Policies

a. Standards of Accounting and Reporting

The Organization follows the standards of accounting and financial reporting as described in the American Institute of Certified Public Accountants' Audit and Accounting Guide for "Not-for-Profit Organizations".

b. Financial Statement Presentation

Financial statement presentation follows the requirements of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. A description of the three net asset categories follows:

Unrestricted - Net assets that are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted - Net assets whose use by the Organization is subject to donor-imposed restrictions that can be fulfilled by actions of the Organization pursuant to those restrictions or that expire by the passage of time.

Permanently Restricted - Net assets subject to donor-imposed restrictions that they be maintained permanently by the Organization. No permanently restricted assets were received or held during 2009 or 2008 and accordingly, these financials do not reflect any activities related to this class of net assets for 2009 or 2008.

c. Property and Equipment

These assets are stated at cost or if donated, at fair value at date of receipt. Maintenance repairs and minor repairs are expensed as incurred and major renewals in excess of \$1,000 which extend the life of the assets are capitalized.

**CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.**

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

(Continued)

Note 2. Summary of Significant Accounting Policies (Continued)

- d. Depreciation
Provisions for depreciation are made in the accounts using the straight-line method. Equipment is being depreciated over 3-7 years and the building and improvements over 20-27.5 years.
- e. Allocation of Expenses
Expenses are allocated among program and supporting services directly or on the basis of time records and utilization estimates made by the Organization's management. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.
- f. Cash and Cash Equivalents
For purposes of the statement of cash flows, Citizens for Affordable Housing in Newton Development Organization, Inc. considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.
- g. Use of Estimates
The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- h. Restricted and Unrestricted Revenue
Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. When a time or purpose restriction expires, restricted net assets are reclassified to unrestricted net assets and are reported in the Statement of Activities as net assets released from restrictions.
- i. Donated Materials and Services
Donated goods and services represent the estimated fair market value of materials and services provided. Donated services are recognized as contributions in accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

**CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.**

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009
(Continued)

Note 2. Summary of Significant Accounting Policies (Continued)

i. Donated Materials and Services (Continued)

For the year ended December 31, 2009, the Organization received legal services valued at \$1,500 provided during the sale of housing units during the year. The value was not reflected in the accompanying financial statements as it did not meet the criteria for recognition.

Note 3. Tax Status

Citizens for Affordable Housing in Newton Development Organization, Inc. is exempt from federal and state income tax under Section 501(c)(3) of the Internal Revenue Code and accordingly, no provision for income taxes is included in the financial statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an Organization that is not a private foundation under Section 509(a)(1).

Note 4. Concentration of Credit Risk

Credit risk with respect to receivables is considered low because a substantial portion is due from tenants. Tenant receivables are closely monitored by management and rental property management companies with strict guidelines in place when balances initially become delinquent.

Note 5. Property Under Development

At December 31, 2009, the Organization had the following site including land, building and improvements under development:

	<u>Land</u>	<u>Building and Improvements</u>	<u>Total</u>
Veteran House	\$ 67,553	\$ 607,977	\$ 675,530

Note 6. Contract Management Services

Two residential rental properties, Nonantum Place and Christina Street, are managed by the Newton Community Development Foundation. Contracted management fees for the years ended 2009 and 2008 were \$10,749 and \$22,485, respectively.

**CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.**

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009
(Continued)

Note 7. Mortgage Payable

	2009			2008
	Current	Long Term	Total	Total
<u>Nonantum Place - Three Unit Residential</u>				
Newton Community Development Authority-Rehab dated 6/20/96 of \$123,455; at 3% per annum; requires monthly payments of \$685; administered by Brookline Savings Bank, secured by real estate; due 7/1/2016; balance forgiven in June 2009;	\$ --	\$ --	\$ --	\$ 55,605
Newton Community Development Authority dated 12/1/95, of \$104,247; forgivable deferred loan; due 15 years from completion date or April, 2011; one-fifteenth of unpaid balance due annually until maturity; payment deferred as long as Organization continues to own property and verification of restrictions are filed timely and events of acceleration have not occurred;	--	104,247	104,247	104,247
Community Economic Development Corporation (CEDAC) date of 1/3/97 of \$90,000 at 5% accrued for first twenty years; due 2017; a cash payment due annually if gross receipts exceeds 105% of cash expenditures; Organization in compliance and all payments deferred; accrued interest totaled \$35,975;	--	90,000	90,000	90,000
The Village Bank Loan dated 12/28/06, of \$130,000 at 7.125%; requiring monthly payments of \$884.97; due 12/28/21.	1,735	123,708	125,443	127,519
Subtotal Nonantum Place	<u>1,735</u>	<u>317,955</u>	<u>319,690</u>	<u>377,371</u>

**CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.**

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009
(Continued)

Note 7. Mortgage Payable (Continued)

	2009			2008
	Current	Long Term	Total	Total
<u>Christina Street – Five Unit Residential</u>				
Newton Community Development Authority dated 8/26/99 of \$225,000 at 7%; due forty years from project completion; one-fifteenth of original principal, \$15,000, and accrued interest due each annual anniversary date of completion; payment deferred if Organization in compliance; secured by third mortgage on property;	--	225,000	225,000	225,000
Newton Community Development Authority administered by Brookline Savings Bank dated 8/1/02 of \$200,000 at 3%; due in monthly payments of \$843.21; balance due 6/2/2032; secured by third mortgage on property; balance forgiven in June 2009;	--	--	--	171,313
Boston Community Loan Fund dated 5/23/02 of \$101,942 at 7%; due in monthly payments of \$677.94, balance due 1/15/2024; secured by second mortgage on the subject property;	1,173	97,426	98,599	99,771
Newton Community Development Authority dated 12/02 of \$45,150 at 7.25%; balance due 12/2022; secured by second mortgage on the subject property;	--	45,150	45,150	45,150
The Village Bank (formerly the Auburndale Co-operative Bank) dated 7/18/02 of \$688,315 at 6.375%; requiring monthly payments of \$1,864.09; balance due by 7/18/2032;	5,528	260,672	266,200	272,965
CEDAC 8/15/2002 of \$125,000 at 0%; unless in default, then at 5%; balance due 7/15/2032;	--	125,000	125,000	125,000
Newton Community Development Authority dated 2/12/04 of \$32,736 at 3%; due in monthly payments of \$138.02; balance due 2/12/2034; balance forgiven in June 2009;	--	--	--	29,299

**CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.**

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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009
(Continued)

Note 7. Mortgage Payable (Continued)

	2009		2008	
	Current	Long Term	Total	Total
<u>Christina Street – Five Unit Residential</u> (continued)				
Newton Community Development Authority dated 2/12/04 of \$11,665; forgivable deferred loan at 7.25% per annum; due 2/12/14 as long as Organization continues to own property and verification of restrictions are filed timely and events of acceleration have not occurred.				
	--	11,665	11,665	11,665
Subtotal Christina Street	6,701	764,913	771,614	980,163
 <u>Webster Street – Six Units Residential</u>				
Newton Community Development Authority dated 8/23/00 of \$237,957 at 7%; due forty years from project completion; one-fortieth of original principal, \$5,625, and accrued interest due each annual anniversary date of completion; payment deferred if Organization in compliance; secured by third mortgage on property;				
	--	237,957	237,957	237,957
The Village Bank (formerly the Auburndale Co-operative Bank) dated 3/14/02 of \$325,000 at 6.5%; due in monthly payments of \$1,804; balance due 3/14/2032;				
	6,160	282,710	288,870	297,236
CEDAC 4/22/02 of \$389,811 at 6.375%;				
	--	389,811	389,811	389,811
Massachusetts Housing of \$250,000 at 6.375%.				
	--	250,000	250,000	250,000
The Newton Community Development Authority dated July 2, 2009 of \$8,150 at 0% interest rate; balance due July 2, 2014; 20% of loan amount will be forgiven on each anniversary of the date of loan with compliance of terms and conditions of loan.				
	1,630	6,520	8,150	--
Subtotal Webster Street	7,790	1,166,998	1,174,788	1,175,004
 <u>18-20 Cambria Road – Two Units Residential</u>				
City of Newton, Community Preservation Grant (CPA) dated 9/29/03; deferred grant loan with a permanent affordable housing restriction;				
	--	200,000	200,000	200,000

**CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.**

#28-10

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009
(Continued)

Note 7. Mortgage Payable (Continued)

	<u>2009</u>		<u>2008</u>	
	<u>Current</u>	<u>Long Term</u>	<u>Total</u>	<u>Total</u>
<u>18-20 Cambria Road – Two Units Residential</u> (continued)				
Newton Community Development Authority serviced by Brookline Bank dated 8/1/2003 of \$106,492 at 3% due in monthly payments of \$449 balance due 8/1/2033; balance forgiven in June 2009;	--	--	--	93,826
The Village Bank (formerly the Auburndale Co-operative Bank) dated 12/19/02 of \$400,000 at 5%; due in monthly payments of \$2,032.40; balance due January 2033;	6,672	283,340	290,012	296,630
Newton Community Development Authority dated 12/19/02 of \$200,000 at 7%; due 50 years from completion; no interest accrual as cancellation of obligation expected;	--	200,000	200,000	200,000
Newton Community Development Authority dated 7/22/03 of \$25,969; forgivable deferred loan in ten years as long as no change in use;	--	25,969	25,969	25,969
Newton Community Development Authority dated 10/29/08 of \$6,910; comprised of CDBG funds.		6,910	6,910	6,910
Subtotal 18-20 Cambria Road	<u>6,672</u>	<u>716,219</u>	<u>722,591</u>	<u>823,335</u>
<u>11-13 Cambria Road – Two Units Residential</u>				
Benjamin Franklin Bank dated 7/13/06, of \$160,000 at 7%; requiring monthly payments of \$1,075.65, due 7/13/36; refinanced July 2009 at the Village Bank of \$240,000 for a 15 year term with a 30 year amortization. The interest rate for the first 5 years is 6%. On each five year anniversary the interest rate will adjust to the 5 year federal home loan Bank of Boston Regular Classic Advance rate plus 2.5%; paid in full July 2009;	--	--	--	155,990
Newton Community Development Authority dated 1/6/06; of \$200,000 at 0%; forgivable deferred loan provided the property complies with Community Development Block Grant program regulations and requirements for no less than 50 years;	--	200,000	200,000	200,000

**CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.**

#28-10

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009
(Continued)

Note 7. Mortgage Payable (Continued)

	<u>2009</u>		<u>2008</u>	
	<u>Current</u>	<u>Long Term</u>	<u>Total</u>	<u>Total</u>
<u>11-13 Cambria Road – Two Unit Residential</u> (continued)				
City of Newton, Community Preservation Grant (CPA) dated 5/16/06; deferred grant loan with a permanent affordable housing restriction;	--	350,000	350,000	350,000
Local Initiatives Support Corporation dated 3/28/06 at 6% on the outstanding principal balance due on a monthly basis; due and payable on the earlier of (i) the closing and initial funding date of any Community Preservation Funds for the "Project" from the Commonwealth of MA, or (ii) the two year anniversary of the first day of the first full month after the closing date (5/1/08);	--	--	--	447
NCDA dated 8/1/06, of \$49,975 at 0%; requiring monthly payments of \$138.82; due 8/1/36; balance forgiven in June 2009;	--	--	--	45,809
The Village Bank (formerly Auburndale Co-operative Bank) dated July 14, 2009 of \$240,000 at 6%; due in monthly payments of \$1,425.58; balance due on July 14, 2039;	<u>3,873</u>	<u>234,892</u>	<u>238,765</u>	<u>--</u>
Subtotal Cambria Road	<u>3,873</u>	<u>784,892</u>	<u>788,765</u>	<u>752,246</u>
<u>Chestnut Street</u>				
Cambridge Savings Bank construction loan dated 12/30/03 up to \$2,775,000, at 6%, due 12/1/2005; additional \$144,204 drawn 2007 and reduced by sale proceeds, remaining \$198,276 restructured; due March 31, 2018; 3.5% fixed for three years through March 31, 2012; re-priced at 250 bps over the 3 year FHLB rate for years 4-6 and 6-9;	<u>3,939</u>	<u>190,458</u>	<u>194,397</u>	<u>198,276</u>
Subtotal Chestnut Street	<u>3,939</u>	<u>190,458</u>	<u>194,397</u>	<u>198,276</u>
<u>Falmouth Road – Two Unit Residential</u>				
The Village Bank loan dated 10/12/05 of \$287,500; interest at 6.625%; \$1,859.10 monthly due 10/12/2020;	5,383	267,042	272,425	277,022

**CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.**

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009
(Continued)

Note 7. Mortgage Payable (Continued)

	2009		2008
	Current	Long Term	
<u>Falmouth Road – Two Unit Residential</u> (Continued)			
Newton Community Development Authority dated 9/1/05 of \$80,000 at zero interest; payments of \$222.22 monthly with balance due 10/1/2035 requiring continued ownership and verification of restrictions filings monthly or other events which by cause acceleration; balance forgiven in June 2009;	--	--	71,556
City of Newton, Community Preservation Funding (CPA), dated 8/11/2005 of \$275,000, deferred grant loan with a permanent affordable housing restriction and repayment of \$237,500 to MHIC; only payable if the terms of the deed restriction are violated;	--	275,000	275,000
Newton Community Development Authority deferred loan dated 8/11/2005 of \$62,500; comprised of CDBG funds; zero interest balance forgivable 10/2054;	--	62,500	62,500
Newton Community Development Authority deferred loan dated 10/15/04 of \$200,000; balance due 10/15/54;	--	200,000	200,000
Subtotal Falmouth Road	<u>5,383</u>	<u>804,542</u>	<u>886,078</u>
<u>Jackson Road – Two Unit Residential</u>			
The Village Bank loan dated 10/12/05 of \$287,500; interest at 5.5%; \$1,859.10 monthly due 10/12/2020;	4,425	268,000	272,425
Newton Community Development Authority dated 9/1/05 of \$80,000 at zero interest; payments of \$222.22 monthly with balance due 10/1/2035 requiring continued ownership and verification of restrictions filings monthly or other events which cause acceleration; balance forgiven in June 2009;	--	--	71,556

**CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.**

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009
(Continued)

Note 7. Mortgage Payable (Continued)

	2009		Total	2008
	Current	Long Term		Total
<u>Jackson Road – Two Unit Residential</u> (continued)				
City of Newton, Community Preservation Funding (CPA), dated 8/11/2005 of \$275,000, deferred grant loan with a permanent affordable housing restriction and repayment of \$237,500 to MHIC; only payable if the terms of the deed restriction are violated;	--	275,000	275,000	275,000
Newton Community Development Authority deferred loan dated 8/11/2005 of \$62,500; comprised of CDBG funds; zero interest balance forgivable 10/2054;	--	62,500	62,500	62,500
Newton Community Development Authority deferred loan dated 10/15/04 of \$200,000; balance due 10/15/2054;	--	200,000	200,000	200,000
Subtotal Jackson Road	<u>4,425</u>	<u>805,500</u>	<u>809,925</u>	<u>886,078</u>
<u>Coyne Road</u>				
The Village Bank dated November 6, 2007 of \$70,400 interest only at 5.5% pending receipt of CDBG and HOME funds, balance due on 2/6/09; paid in full August 2009;	--	--	--	186,400
Newton Community Development Authority deferred loan dated January 7, 2008; totaling \$391,105 comprised of CDBG and HOME funds; zero interest; balance forgivable 10/2054;	--	--	--	391,105
Subtotal Coyne Road	<u>--</u>	<u>--</u>	<u>--</u>	<u>577,505</u>

**CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.**

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009
(Continued)

Note 7. Mortgage Payable (Continued)

	2009			2008
	Current	Long Term	Total	Total
<u>Veteran House-Two Unit Residential</u>				
The Village Bank dated November 16, 2009 of \$666,300 at 6% interest rate; payments of interest only are due and payable monthly; balance due November 16, 2010; \$300,000 to be repaid upon receipt of loan funds from the Newton Community Development Authority (CDBG) approved 12/30/09; payable 50 years from completion date.	366,300	300,000	666,300	--
Subtotal Veteran House	366,300	300,000	666,300	--
<u>Total Mortgages Payable</u>	<u>\$ 406,818</u>	<u>\$ 5,851,477</u>	<u>\$ 6,258,295</u>	<u>\$ 6,656,056</u>

Future minimum payments of principal are as follows:

2010	\$ 406,818
2011	40,059
2012	42,384
2013	44,854
2014	47,478
2015 and thereafter	5,676,702

Note 8. Note Payable

From an individual dated July 23, 2007 for \$50,000 zero interest due December 31, 2007, extended to December 31, 2010.

Note 9. Line of Credit

The Organization had a \$57,000 line of credit with an interest rate of 7.25% per year expiring June 30, 2009 and another \$20,000 line of credit with an interest rate of 4.25% per year expiring February 15, 2049. In addition, one credit card had a cash advance totaling \$68. During fiscal year 2009, the whole balance was paid off.

Note 10. Revolving Loan Pool

In 1999, the Organization received a \$20,000 grant from the Newton Community Development Authority to establish a revolving account, which will provide immediate funding for deposits and down payments to acquire property for use as affordable housing.

**CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.**

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009
(Continued)

Note 11. Developer Fees

The Organization earns developer fees from the renovation of housing projects. These fees fluctuate throughout the course of a project due to budget changes. No development fees were recognized in 2009 due to the board decision to abort a development project in 2009.

Note 12. Compensated Absences

Vacation and sick pay are considered expenditures in the year paid. Upon termination the employee is compensated for any accrued but unused vacation pay. The Organization has not accrued compensated absences because the amount cannot be reasonably estimated.

Note 13. Retirement Plan

A 403B plan was established in 2001 that covers the Executive Director. Pension expense for 2009 and 2008 totaled \$6,615 and \$6,615, respectively. The estimated unfunded benefit totals \$53,713 and is included as an accrued liability.

Note 14. Related Party Activity

In accordance with the Agency's articles of Organization one Board member is an income eligible tenant in one of the units authorized and monitored by the U. S. Department of Housing and Urban Development.

One board member provides printing services to the Organization through his business at a reduced rate that totaled \$1,744 for 2009.

The Executive Director is an employee of the Organization.

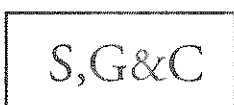
Note 15. Leases

Citizens for Affordable Housing in Newton Development Organization, Inc. entered into a lease agreement extension expiring June 1, 2009. The lease requires monthly payments of \$2,005 in 2008 and increased to \$2,085 from July 2008. Rent expense for the year ended 2009 and 2008, totaled 25,520 and \$24,721, respectively. Future minimum rental payments for the year ending December 31 are as follows:

2010	\$ 25,020
------	-----------

In addition, the Organization entered into an operating lease agreement for a vehicle expiring 2010. The lease requires monthly payments of \$258. Future minimum lease payments for the year ending December 31 are as follows:

2010	\$ 714
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**CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.**

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009
(Continued)

Note 16. Lead Free Forgivable Grant/Loans

The Organization has received a number of grants to remove lead from various developments ranging from \$2,998 to \$30,000. These grants are reduced over a five year period by the City of Newton. Many of these grants were reported as revenue in the years received. All properties receiving these grants are currently operating as income eligible housing.

Note 17. Forgiven Debt

At December 31, 2009, the City of Newton forgave affordable housing loans provided through the Newton Community Development Authority, as itemized in Note 7, for the improvement of the following affordable housing sites:

Nonantum Street	\$ 52,321
Christina Street	198,202
Cambria Road	137,890
Falmouth Road	70,438
Jackson Road	<u>70,438</u>
Total	<u>\$529,289</u>

Note 18. Sale of Property Under Development

The Organization completed the sale of affordable housing located on Coyne Road in 2009 resulting in the following:

Cost of housing	\$ 738,153
Cost of sale	1,311
Less: Liquidation of debt	<u>577,505</u>
Loss on sale of affordable Housing	<u>\$(161,959)</u>

SANDBERG, GONZALEZ & CREEDEN, P.C.

S,G&C

CERTIFIED PUBLIC ACCOUNTANTS

331 PAGE STREET
STOUGHTON, MA 02072
TELEPHONE (781) 344-0850
FAX (781) 344-6960

To the Board of Directors of
Citizens for Affordable Housing in Newton
Development Organization, Inc.
West Newton, Massachusetts

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

We have audited the financial statements of Citizens for Affordable Housing in Newton Development Organization, Inc. as of and for the year ended December 31, 2009, and have issued our report thereon dated March 23, 2010. 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 of the financial statements of Citizens for Affordable Housing in Newton Development Organization, Inc. as of and for the year ended December 31, 2009, in accordance with auditing standards generally accepted in the United States of America, we considered Citizens for Affordable Housing in Newton Development Organization, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Citizens for Affordable Housing in Newton Development Organization, Inc.'s 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 other matters that we reported to the management of Citizens for Affordable Housing in Newton Development Organization, Inc. in a separate letter dated March 23, 2010.

This report is intended solely for the information and use of the audit committee, management, and the Board of Directors and is not intended to be and should not be used by anyone other than these specified parties.



SANDBERG, GONZALEZ & CREEDEN, P.C.
Certified Public Accountants

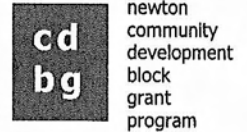
Stoughton, Massachusetts
March 23, 2010



CITY OF NEWTON, MASSACHUSETTS

Department of Planning and Development

#28-10



Setti D. Warren
Mayor

DATE: February 22, 2010

TO: Community Preservation Committee

CC: Alice Ingerson, Community Preservation Program Manager

FR: Amy Yuhasz, Associate Director of Housing and Community Development *Ay*

RE: CAN-DO agenda item to be heard at the March 1, 2010 Planning and Development Board Meeting

BACKGROUND

On June 1, 2010 the Planning and Development Board approved CAN-DO's request to convert all of the housing rehabilitation direct loans that the organization had with the City into 0% deferred loans (with all loans to be forgiven at the expiration of the 30-year term). This approval was conditional upon the receipt of the following: CAN-DO's FY09 operating budget with income and expenses, a copy of the most recent audited financials and a letter from the CAN-DO Board President describing how the annual savings will be applied to its existing debt and describing a one-to-three year strategy for strengthening the organization's financial situation. These items were submitted to the Planning and Development Board for consideration at their July 13, 2009 meeting.

Through a vote the Planning and Development Board indicated a consensus that the conditions from the June 1, 2009 meeting had been satisfied and the Board will anticipate regular follow-up by CAN-DO. Based on this decision, CAN-DO is scheduled to follow-up with the Planning and Development Board **two** times a year. This follow-up will consist of an update on the organization's progress in meeting the goals outlined in CAN-DO's July 8, 2009 letter (see attached).

MARCH 1, 2010 PLANNING AND DEVELOPMENT BOARD MEETING

At their March 1 meeting the Planning and Development Board will hear an update from Citizens for Affordable Housing in Newton Development Organization, Inc. (CAN-DO) on the organization's progress in meeting the goals outlined in their July 8, 2009 letter.

UPDATE as of 1 March 2010: review meetings with the P&D Board will be scheduled 4 times a year.



1075 Washington Street
West Newton, MA 02465
Phone: 617-964-3527
Fax: 617-964-3593

E-mail: jam_cando@msn.com
Website: www.newtoncando.org
Josephine McNeil, Executive Director

Development Organization, Inc.

July 8, 2009

Mr. Michael Kruse
Newton Housing Office
Newton City Hall
1000 Commonwealth Avenue
Newton, MA 02459

RE: Direct Loan Debt Forgiveness - \$529,817.24

Dear Mr. Kruse:

First, I want to thank you for your support of our request for debt forgiveness. The need for debt forgiveness was due to the significant loss the organization experienced on the Millhouse Commons project. We loss approximately \$450,000 due to (1) the extended permitting process despite the project being a Ch. 40B development and (2) the multi month process for the approval of CPA funding. These delays resulted in the units coming on line just as the market began to fall. We had no problem selling the 4 affordable units. In retrospect our decision to create 4 affordable units in a 6 unit project or 67% of the units instead of the usual 20% while laudable was not financially wise. As we closed the project with an outstanding construction and did not earn our expected developer fee of approximately \$150,000.

As set forth in your recommendation to the Planning and Development Board, I am submitting the following information.

I. PLAN TO ACHIEVE LONG-TERM FINANCIAL STABILITY

The City of Newton recommended to the Planning and Development Board that NHRF loans in the amount of \$529,817.24 be forgiven and the recommendation was approved. Thus, we will have an additional \$32,377.00 in income. Those funds will be used to offset the payments associated with the restructuring outline below:

A. The need to payoff the \$198,276.16 outstanding construction loan from the 1101 Chestnut Street project (Millhouse Commons). Restructures loan- 3.5% fixed for three years through March 31, 2012; re-priced at 250 bps over the 3 year FHLB rate for years 4-6 and 6-9. The current monthly payment is \$890.35 or \$10,684.00 annually.

B. The need to develop a long-term plan to make principle and interest payments on an existing line of credit, which has a \$20,000 balance with an interest rate of 6.0%, and an interest-only loan in the amount of \$57,000 with an interest rate of 7.25% with The Village Bank, collectively "TVB Unsecured Obligations". Request that The Village Bank add this debt to the refinanced mortgage of \$160,000 on 11-13 Cambria Road, The cost would be approximately \$397.00 per month or \$4764.00 annually.

C. The need to eliminate CAN-DO's current credit card debt which is \$75,000.

Seek a lender to consolidate these into one loan with a lower interest rate of 9% and plan to pay it off in 5 years. The cost will be approximately \$18,900 per year.

D. The need to sell 29 Coyne Road in order to pay off the TVB mortgage. We have executed a Purchase and Sale Agreement to sell the property to an income eligible first time homebuyer for \$195,000.00. This will enable us to payoff the mortgage of \$185,316.

Under separate cover, I have submitted CAN-DO's actual FY09 and a projected 2010 budget which reflects the funds generated by the elimination of the payments.

II. ONE TO THREE YEAR STRATEGY FOR STRENGTHENING FINANCIAL EXISTENCE

A. Reducing Financial Risk when Planning Projects:

Over next three years focus primarily on "as of right" rental projects with a pre-development period, construction period and occupancy of less than 18 months. In addition, we will try to obtain predevelopment funds in order to limit the expenses which must be paid from our operating budget. A possible source of such funds is CEDAC and possibly LISC. We will also build in the maximum allowed developer fee. Funders determine the percentage of a project's total development costs they will allow for a developer fee, DHCD usually allows 15%, Masshousing up to 20% and the Federal Home Loan Bank of Boston up to 15%.

B. Pursue opportunities to increase income by providing fees for services to other nonprofits in Newton and elsewhere. The board revisited the idea of CAN-DO either collaborating with or acting as a consultant for other area nonprofits interested in developing housing. I have had discussions with at least one group who approached us to ask if we would be interested in acting as the developer for a property they would own and operate.

C. Working with Newton Housing Partnership and others to pursue City of Newton building and construction fee waivers.

D. Increase in Fundraising Activities -- The Board of Directors has made a commitment to engage in additional small fundraising events, as well as a second major fundraiser. The board is exploring several activities for the fall and winter to raise approximately \$10,000 including a craft fair (\$4000-\$5000); a clambake excursion (\$1000); a house party with a sports personality; (\$2000); fall newsletter and annual appeals (\$1500). Of course these plans are as rational and will present a significant challenge given the current economic environment. We will also continue to pursue grants from new and old sources.

E. In 2010, Board will explore a Capital Campaign. It has been suggested that despite the difficult financial times; this might be an opportune to engage in a multi-year capital campaign. We will engage a consultant to provide guidance to undertake a campaign of between 300 to 400 thousand dollars. Most of which will be used to establish an endowment to support our operating expenses. If our consultant thinks it is feasible we will some portion (up to \$50,000) to reduce our Cambridge Savings Bank loan.

III. STRATEGY FOR ENHANCING ORGANIZATIONAL CAPACITY

Since its birth in 1994, CAN-DO's focus has been primarily on the development of affordable units rather than the growth of the organization. Fourteen years later it still has only one paid staff person even though it has assets in excess of \$8 million. One of the strengths of the organization is that it has had very consistent board members who are committed to the mission of the organization. However, it is not a "high-powered" board; none of the board members are wealthy or have access to great wealth. Our efforts to recruit new board members are hampered by federal statute. One third of the board members must have family incomes that fall within the low-moderate income ranges as established by HUD. While the aim is worthy it has been problematic to identify such candidates.

The board and the executive director are in the process of identifying potential candidates for board membership with specific skills not included among the current board members including housing development, legal and organizational management. In addition we are seeking suggestions for potential low-moderate income individuals

with the interest and the time to serve. It is our hope that with the restructuring of our financial position, we will be able to attract individuals willing to take on the challenge of making us a stronger and more viable organization.

The Board has also determined that it is necessary to revisit its prior efforts to develop a 3-5 year strategic plan which includes:

- Identifying techniques to strengthen the role of board members
- Develop a 5-year succession plan for Executive Director
- Identify ways to increase support for Executive Director for day to day operation until such time as there are funds to do so.

IV. OPERATING RESERVES

One of the items raised at the last months meeting with the Planning and Development Board was concern about the lack of reserve for each property. While it is certainly desirable to have a reserve for each property; that has not been possible especially for our 2-family properties. It is important to note that all of our 2-family properties are over 100 years old. Each underwent modest rehabs at the time of purchase. Our first priority has been to ensure that ongoing and immediate repairs are made and that the properties are maintained so that they are not visibly unattractive. While costs, especially taxes and water and sewer, have increased, the Section 8 voucher rents have not. So it is not unusual in any given month for the expenses to exceed the income for a given property. We cover that shortfall by moving funds from another property and sometimes we have to transfer funds from the organizational operating budget. Thus placing further strain on our budget. At those properties with more than two units we fund a reserve with excess income at the end of the year, if there is any.

V. POSSIBLE COST-CUTTING OPTIONS

We were also asked to examine our budget to see if there were any opportunities for cost-cutting options. As we consider the current budget, we did not identify any specific reductions. The major expenses in the budget are related to staff, rent and accounting.

The only staff person, the Executive Director, has not had a salary increase in 4 years, professional conference and associated travel expenses were eliminated from the budget last year. We just renewed our current lease, with no increase. However, we are exploring opportunities to collaborate with other nonprofits on shared services. It is possible that some of accounting expenses could be reduced by such an endeavor.

I have attempted to address all the issues set forth in the recommendation and raised in the meeting. Again, I would remind you that the position that CAN-DO finds itself in at this moment is not entirely of its making. I would also ask that you look at our circumstances as not unique for a nonprofit developer of affordable housing; there are other nonprofits that have been in existence much longer, and with more depth in staff and financial resources who have also been impacted by the market. The approved debt forgiveness of the NHRF loans is the foundation for the financial restructuring with other lenders.

In closing, I want to emphasize that CAN-DO's future is dependent upon our moving forward with a new project as soon as possible. We look forward to working with you and others interested in our success to fulfilling our mission to develop affordable housing in Newton.

Sincerely,


Josephine McNeil
Executive Director

PLANNING AND DEVELOPMENT BOARD

MEETING AS THE

COMMUNITY DEVELOPMENT BOARD

WRITTEN MATERIAL FOR MARCH 1, 2010, MEETING:

- ~~1. Minutes: Minutes of the January 4, 2010 meeting of the Planning and Development Board acting as the Community Development Board and the Planning Board.~~
- ~~1. Memorandum: Recommendation from the Economic Development Advisory Committee to transfer \$110,900.63 in CDBG economic development loan pool funds to the Newton Housing Rehabilitation Program.~~
2. Letter: from CAN-DO to the Planning and Development Board
Attachments:
 - a. Total Purchase and Loss for CAN-DO (at Dec 31) 2009 compared to total Purchase and Loss (at Dec 31) 2008
 - b. Operating Purchase and Loss for CAN-DO (excludes gains/losses from property sales) for 2008 and 2009
 - c. 2009 Purchase and Loss for CAN-DO assuming debt had been forgiven for 2009
 - d. 2009 Purchase and Loss and 2010 Budget Purchase and Loss for each project subject to debt forgiveness
 - e. CAN-DO 2010 Operating Purchase and Loss

February 15, 2010

Ms. Tabettha McCartney, Chair
Newton Planning and Development Board
Newton City Hall
1000 Commonwealth Avenue
Newton, MA 02459

RE: Update on CAN-DO's Financial Status

Dear Ms. McCartney:

I am writing to provide an update on CAN-DO's plan to achieve long-term financial stability. At the Planning and Development Board meeting on July 13th we discussed with the Board our plans to address the following major issues facing the organization at that time:

- A. Restructuring of the outstanding construction loan from the 1101 Chestnut Street project (Millhouse Commons). has occurred and monthly payments are being made
- B. The "TVB" Unsecured Obligations' were assumed into the refinancing of the existing mortgage of \$160,000 on 11-13 Cambria Road.
- C. Consolidation of credit card debt. Despite our request to several banks we were not successful in obtaining a bank willing to consolidate the unsecured loans. We continue to make the monthly payments and no longer use them. As our financial circumstances improve, we will once more pursue consolidation.
- D. Sale of 29 Coyne Road took place in August and the TVB mortgage was paid off.

We also discussed a one to three year strategy for strengthening our financial existence, which included:

- A. Reducing Financial Risk when Planning Projects. We indicated that over the next three years we would focus primarily on "as of right" rental projects with a pre-development period, construction period and occupancy of less than 18 months. We are currently in the process of a new project. It is a "by-right" project requiring no permitting, the renovations are minimal, and we expect occupancy within 12 months of the inception of the project. We also stated that we would

build into the budget developer fees more consistent with the industry norm and the project includes a 12.5 % fee.

B. Providing fees for services was identified as a method of increasing CAN-DO's income. No opportunity has presented itself to date; but we will continue to seek those opportunities.

C. We will continue to seek construction fee waivers supported by the New the Newton Housing Partnership and others in the city.

D. We set forth a goal to increase our fundraising income by \$10,000 for the for the remainder of the year. As of the writing of this memo, we have received a little over \$16,000 from fundraising and donations including our Annual Appeal.

E We committed to enhancing our organizational capacity. We have not yet made significant progress due in part to anticipation of changes in the board. At least 2 of our board members have given notice of their intention to resign from the board. It seems appropriate to wait until we recruit replacements and then include them in a strategic planning process.

F. There was a discussion regarding the lack of operating reserves for each of the properties. We have addressed that concern for our new Veteran House project by including in the development budget a \$10,000 reserve to be capitalized.

G. The Board of Directors continues to examine and be prudent in its operating expenditures. A member of the Board suggested that the amount spent for auditing and bookkeeping could be reduced through bidding. While we have not put the audit out for bid, we have gone through a hiring process for a new bookkeeper and found that the amount currently being paid is competitive with the needed skill set.

During the meeting, I emphasized that CAN-DO's future was dependent upon our ability to move forward with a new project as soon as possible. Your support enabled us to do that and we are feeling energized at the prospect of our new Veteran House project.

Finally, included in your packet are a series of spreadsheets which indicate CAN-DO's status by property; as well as the operating budget and budgets for 2010 for each property as well and an operating budget. There is a page for each of the following:

1. Total P&L for CAN-DO at Dec 31 2009 compared to total P&L at Dec 31, 2008:
2. Operating P&L (excludes gains/losses from property sales) for 2008 and 2009:
3. 2009 P&L assuming debt had been forgiven for entire 2009;

4. 2009 P&L (from rental income ONLY) and 2010 Budget P&L for each project subject to debt forgiveness from rental income ONLY with principal and interest adjusted for new 2010 year; all income and expenses the same as 2009 with exception of 11-13 Cambria legal fees which were reduced (these were for one time loan closings); and
5. Prepared total 2010 operating P&L for total Cando adjusted for principal and interest payments for the projects subject to the debt forgiveness

Sincerely,

Josephine McNeil
Executive Director

CAN-DO
Fiscal Year Total Profit & Loss Comparison
 Fiscal Year 2008 - 2009

#28-10

	<u>Jan - Dec 09</u>	<u>Jan - Dec 08</u>	<u>\$ Change</u>
Ordinary Income/Expense			
Income			
4000 · Grants	79,029.71	137,956.29	-58,926.58
4100 · Contributions & Donations	0.00	20,398.57	-20,398.57
4102 · Fundraising	118,477.94	100,465.50	18,012.44
4150 · Rent	370,011.00	380,034.28	-10,023.28
4200 · Interest Income	88.96	104.86	-15.90
4250 · Laundry Income	2,459.00	3,048.54	-589.54
4300 · Other Income	400.00	9,874.45	-9,474.45
4550 · Management Fee Income	17,428.75	5,000.00	12,428.75
Total Income	<u>587,895.36</u>	<u>656,882.49</u>	<u>-68,987.13</u>
Expense			
5000 · Salary and Related	128,075.63	121,186.83	6,888.80
6100 · Advertising	867.79	803.82	63.97
6120 · Bank Charges	2,743.35	1,298.76	1,444.59
6135 · Conference Fees	372.10	0.00	372.10
6140 · Depreciation	208,000.00	208,233.00	-233.00
6145 · Donations	400.00	525.00	-125.00
6150 · Dues and Subscriptions	1,574.00	2,774.66	-1,200.66
6155 · Insurance D & O	2,127.85	1,225.60	902.25
6156 · Insurance-Facilities	20,658.58	28,115.36	-7,456.78
6157 · Insurance -Office & Auto	1,848.04	1,496.81	351.23
6160 · Interest Expense	133,223.71	173,032.56	-39,808.85
6165 · Miscellaneous	622.94	148.10	474.84
6170 · Management Fees	20,921.12	24,885.49	-3,964.37
6171 · Administrative Fees	18.50	1,300.00	-1,281.50
6172 · Supportive Services	12,616.00	11,462.00	1,154.00
6173 · Condo Fees	4,296.00	4,296.00	0.00
6175 · Postage and Delivery	1,129.97	1,447.89	-317.92
6180 · Printing	6,490.85	7,940.66	-1,449.81
6185 · Payroll Fees	8,078.13	1,205.83	6,872.30
6190 · Professional Fees - Accounting	21,419.89	24,117.16	-2,697.27
6195 · Filing Fees	560.25	1,350.50	-790.25
6200 · Rent Expense	25,520.00	24,721.45	798.55
6205 · Supplies	2,093.24	3,124.08	-1,030.84
6210 · Exterminating	716.00	1,269.00	-553.00
6213 · Janitorial	1,610.00	2,700.00	-1,090.00
6215 · Repairs	950.00	487.41	462.59
6220 · Landscaping	4,270.00	10,099.00	-5,829.00
6221 · Facility Maintenance	37,655.12	26,179.62	11,475.50
6222 · Snow Removal	10,871.50	7,036.00	3,835.50
6230 · Telephone	3,535.67	3,544.42	-8.75
6235 · Travel	126.28	1,708.39	-1,582.11
6238 · Auto lease	3,286.54	3,608.43	-321.89
6240 · Parking	14.00	0.00	14.00
6315 · Consultant	8,761.25	5,178.75	3,582.50
6320 · Legal Fees	3,197.00	497.50	2,699.50
6345 · Security	138.32	333.00	-194.68

CAN-DO
Fiscal Year Total Profit & Loss Comparison
Fiscal Year 2008 - 2009

#28-10

	<u>Jan - Dec 09</u>	<u>Jan - Dec 08</u>	<u>\$ Change</u>
6355 · Utilities	31,553.98	36,665.99	-5,112.01
6359 · Internet expense	63.34	0.00	63.34
6400 · Property Taxes	38,861.38	42,159.62	-3,298.24
6710 · Fundraising Fees & Events	13,405.60	6,239.08	7,166.52
Total Expense	<u>762,673.92</u>	<u>792,397.77</u>	<u>-29,723.85</u>
Net Operating Income	-174,778.56	-135,515.28	-39,263.28
Other Income/Expense			
Other Income			
8200 · In-kind Donation	0.00	587.00	-587.00
8400 · Debt Forgiven	920,394.01	108,455.00	811,939.01
8500 · Condo Owner Receipts	0.00	15,480.68	-15,480.68
8700 · Project Sales Gain/Loss	-574,843.37	-432,117.07	-142,726.30
Total Other Income	<u>345,550.64</u>	<u>-307,594.39</u>	<u>653,145.03</u>
Other Expense			
9200 · Development Costs	572.76	2,190.00	-1,617.24
9300 · Capital Costs	0.00	3,399.49	-3,399.49
Total Other Expense	<u>572.76</u>	<u>5,589.49</u>	<u>-5,016.73</u>
Net Other Income	<u>344,977.88</u>	<u>-313,183.88</u>	<u>658,161.76</u>
Net Income	<u><u>170,199.32</u></u>	<u><u>-448,699.16</u></u>	<u><u>618,898.48</u></u>

	Jan - Dec 09	
	Total Actual	Assume Debt Forgiven for Full Year
Ordinary Income/Expense		
Income		
4000 - Grants	79,029.71	79,029.71
4100 - Contributions & Donations	-	-
4102 - Fundraising	118,477.94	118,477.94
4150 - Rent	370,011.00	370,011.00
4200 - Interest Income	88.96	88.96
4250 - Laundry Income	2,459.00	2,459.00
4300 - Other Income	400.00	400.00
4550 - Management Fee Income	17,428.75	17,428.75
Total Income	587,895.36	587,895.36
Expense		
5000 - Salary and Related	128,075.63	128,075.63
6100 - Advertising	867.79	867.79
6120 - Bank Charges	2,743.35	2,743.35
6135 - Conference Fees	372.10	372.10
6140 - Depreciation	208,000.00	208,000.00
6145 - Donations	400.00	400.00
6150 - Dues and Subscriptions	1,574.00	1,574.00
6155 - Insurance D & O	2,127.85	2,127.85
6156 - Insurance-Facilities	20,658.58	20,658.58
6157 - Insurance -Office & Auto	1,848.04	1,848.04
6160 - Interest Expense	133,223.71	132,015.86
6165 - Miscellaneous	622.94	622.94
6170 - Management Fees	20,921.12	20,921.12
6171 - Administrative Fees	18.50	18.50
6172 - Supportive Services	12,616.00	12,616.00
6173 - Condo Fees	4,296.00	4,296.00
6175 - Postage and Delivery	1,129.97	1,129.97
6180 - Printing	6,490.85	6,490.85
6185 - Payroll Fees	8,078.13	8,078.13
6190 - Professional Fees - Accounting	21,419.89	21,419.89
6195 - Filing Fees	560.25	560.25
6200 - Rent Expense	25,520.00	25,520.00
6205 - Supplies	2,093.24	2,093.24
6210 - Exterminating	716.00	716.00
6213 - Janitorial	1,610.00	1,610.00
6215 - Repairs	950.00	950.00
6220 - Landscaping	4,270.00	4,270.00
6221 - Facility Maintenance	37,655.12	37,655.12
6222 - Snow Removal	10,871.50	10,871.50
6230 - Telephone	3,535.67	3,535.67
6235 - Travel	126.28	126.28
6238 - Auto lease	3,286.54	3,286.54
6240 - Parking	14.00	14.00
6315 - Consultant	8,761.25	8,761.25
6320 - Legal Fees	3,197.00	3,197.00

	Total Actual	Assume Debt Forgiven for Full Year
6345 - Security	138.32	138.32
6355 - Utilities	31,553.98	31,553.98
6359 - Internet expense	63.34	63.34
6400 - Property Taxes	38,861.38	38,861.38
6710 - Fundraising Fees & Events	13,405.60	13,405.60
Total Expense	<u>762,673.92</u>	<u>761,466.07</u>
Net Operating Income	(174,778.56)	(173,570.71)
Add back		
Depreciation	208,000.00	208,000.00
Interest Expense	<u>133,223.71</u>	<u>132,015.86</u>
Net Operating Income Excluding Depreciation and Interest Expense	<u>166,445.15</u>	<u>166,445.15</u>
Total Debt Service All Properties		
Principal	51,660.11	40,700.61
Interest Expense	<u>133,223.71</u>	<u>132,015.86</u>
Total Debt Service	<u>184,883.82</u>	<u>172,716.47</u>
Total Debt Service Coverage	<u>\$ (18,438.67)</u>	<u>\$ (6,271.32)</u>

P&I Totals

	11-13 Cambria #2	14 Nonantum - Garfield House	163 Jackson	18-20 Cambria #1	20-22 Falmouth	90 Christina - Kayla House	Total
Actual							
Total Debt Service All Properties							
Principal	3,465.73	5,370.21	5,930.71	7,912.15	5,930.47	10,833.55	39,442.82
Interest Expense	12,666.11	7,876.91	15,515.59	15,311.58	15,080.62	24,763.18	91,213.99
Total Debt Service	16,131.84	13,247.12	21,446.30	23,223.73	21,011.09	35,596.73	130,656.81
Assume Debt Forgiven for Full Year							
Total Debt Service All Properties							
Principal	2,657.81	2,076.04	4,597.39	6,617.64	4,597.15	7,937.29	28,483.32
Interest Expense	12,666.11	7,876.91	15,515.59	14,103.73	15,080.62	24,763.18	90,006.14
Total Debt Service	15,323.92	9,952.95	20,112.98	20,721.37	19,677.77	32,700.47	118,489.46
Budget 2010							
Total Debt Service All Properties							
Principal	3,093.00	1,534.92	4,338.00	5,121.00	4,300.00	7,683.00	26,069.92
Interest Expense	14,338.00	6,908.00	15,124.00	13,830.00	15,594.00	18,809.00	84,603.00
Total Debt Service	17,431.00	8,442.92	19,462.00	18,951.00	19,894.00	26,492.00	110,672.92

CAN-DO
Profit & Loss From Rental Income - Budget 2010
 January through December 2010

#28-10

	14 Nonantum - Garfield House
	Budget
Ordinary Income/Expense	
Income	
4150 · Rent	\$ 58,301.00
Total Income	58,301.00
Expense	
5000 · Salary and Related	4,708.20
6120 · Bank Charges	66.85
6145 · Donations	300.00
6156 · Insurance-Facilites	2,952.00
6160 · Interest Expense	6,908.00
6170 · Management Fees	2,888.04
6185 · Payroll Fees	2,833.78
6190 · Professional Fees - Accounting	1,000.00
6195 · Filing Fees	-
6205 · Supplies	226.51
6210 · Exterminating	240.00
6215 · Repairs	950.00
6221 · Facility Maintenance	10,454.91
6222 · Snow Removal	2,656.00
6230 · Telephone	58.85
6320 · Legal Fees	137.00
6355 · Utilities	9,340.73
Total Expense	45,720.87
Net Operating Income	12,580.13
Add back	
Interest Expense	6,908.00
Net Operating Income	
Excluding Depreciation and Interest Expense	19,488.13
Total Debt Service All Properties	
Principal	1,534.92
Interest Expense	6,908.00
Total Debt Service	8,442.92
Total Debt Service Coverage	\$ 11,045.21

CAN-DO
Profit & Loss From Rental Income - Debt Forgiven July 2009 #28-10
 January through December 2009

	14 Nonantum - Garfield House	
	Actual	Assume Debt Forgiven for Full Year
Ordinary Income/Expense		
Income		
4150 · Rent	\$ 58,301.00	58,301.00
Total Income	58,301.00	58,301.00
Expense		
5000 · Salary and Related	4,708.20	4,708.20
6120 · Bank Charges	66.85	66.85
6145 · Donations	300.00	300.00
6156 · Insurance-Facilites	2,952.00	2,952.00
6160 · Interest Expense	7,876.91	7,876.91
6170 · Management Fees	2,888.04	2,888.04
6185 · Payroll Fees	2,833.78	2,833.78
6190 · Professional Fees - Accounting	1,000.00	1,000.00
6195 · Filing Fees	-	-
6205 · Supplies	226.51	226.51
6210 · Exterminating	240.00	240.00
6215 · Repairs	950.00	950.00
6221 · Facility Maintenance	10,454.91	10,454.91
6222 · Snow Removal	2,656.00	2,656.00
6230 · Telephone	58.85	58.85
6320 · Legal Fees	137.00	137.00
6355 · Utilities	9,340.73	9,340.73
Total Expense	46,689.78	46,689.78
Net Operating Income	11,611.22	11,611.22
Add back		
Interest Expense	7,876.91	7,876.91
Net Operating Income Excluding Depreciation and Interest Expense	19,488.13	19,488.13
Total Debt Service All Properties		
Principal	5,370.21	2,076.04
Interest Expense	7,876.91	7,876.91
Total Debt Service	13,247.12	9,952.95
Total Debt Service Coverage	\$ 6,241.01	9,535.18

11-13 Cambria #2

	Budget
Ordinary Income/Expense	
Income	
4150 - Rent	\$ 34,474.00
Total Income	<u>34,474.00</u>
Expense	
6156 - Insurance-Facilities	3,524.50
6160 - Interest Expense	14,338.00
6170 - Management Fees	2,520.00
6213 - Janitorial	300.00
6220 - Landscaping	716.00
6221 - Facility Maintenance	4,734.28
6222 - Snow Removal	1,552.00
6315 - Consultant	467.50
6320 - Legal Fees	75.00
6355 - Utilities	1,372.97
6400 - Property Taxes	6,491.27
Total Expense	<u>36,091.52</u>
Net Operating Income	(1,617.52)
Add back	
Interest Expense	<u>14,338.00</u>
Net Operating Income	
Excluding Depreciation and Interest Expense	<u><u>12,720.48</u></u>
Total Debt Service All Properties	
Principal	3,093.00
Interest Expense	<u>14,338.00</u>
Total Debt Service	<u><u>17,431.00</u></u>
Total Debt Service Coverage	<u><u>\$ (4,710.52)</u></u>

CAN-DO
Profit & Loss From Rental Income - Debt Forgiven July 2009 #28-10
 January through December 2009

	11-13 Cambria #2	
	Actual	Assume Debt Forgiven for Full Year
Ordinary Income/Expense		
Income		
4150 · Rent	\$ 34,474.00	34,474.00
Total Income	34,474.00	34,474.00
Expense		
6156 · Insurance-Facilites	3,524.50	3,524.50
6160 · Interest Expense	12,666.11	12,666.11
6170 · Management Fees	2,520.00	2,520.00
6213 · Janitorial	300.00	300.00
6220 · Landscaping	716.00	716.00
6221 · Facility Maintenance	4,734.28	4,734.28
6222 · Snow Removal	1,552.00	1,552.00
6315 · Consultant	467.50	467.50
6320 · Legal Fees	2,679.00	2,679.00
6355 · Utilities	1,372.97	1,372.97
6400 · Property Taxes	6,491.27	6,491.27
Total Expense	37,023.63	37,023.63
Net Operating Income	(2,549.63)	(2,549.63)
Add back		
Interest Expense	12,666.11	12,666.11
Net Operating Income Excluding Depreciation and Interest Expense	10,116.48	10,116.48
Total Debt Service All Properties		
Principal	3,465.73	2,657.81
Interest Expense	12,666.11	12,666.11
Total Debt Service	16,131.84	15,323.92
Total Debt Service Coverage	\$ (6,015.36)	(5,207.44)

CAN-DO
Profit & Loss From Rental Income - Budget 2010
 January through December 2010

#28-10

18-20 Cambria #1

Budget

Ordinary Income/Expense	
Income	
4150 · Rent	\$ 44,064.00
Total Income	<u>44,064.00</u>
Expense	
6120 · Bank Charges	(0.99)
6156 · Insurance-Facilites	4,087.00
6160 · Interest Expense	13,830.00
6170 · Management Fees	3,120.00
6195 · Filing Fees	75.00
6213 · Janitorial	250.00
6220 · Landscaping	765.00
6221 · Facility Maintenance	4,157.07
6222 · Snow Removal	1,552.00
6315 · Consultant	467.50
6320 · Legal Fees	72.00
6345 · Security	138.32
6355 · Utilities	1,561.15
6400 · Property Taxes	6,778.22
Total Expense	<u>36,852.27</u>
Net Operating Income	7,211.73
Add back	
Interest Expense	<u>13,830.00</u>
Net Operating Income	
Excluding Depreciation and Interest Expense	<u><u>21,041.73</u></u>
Total Debt Service All Properties	
Principal	5,121.00
Interest Expense	<u>13,830.00</u>
Total Debt Service	<u><u>18,951.00</u></u>
Total Debt Service Coverage	<u><u>\$ 2,090.73</u></u>

CAN-DO
Profit & Loss From Rental Income - Debt Forgiven July 2009 #28-10
 January through December 2009

	18-20 Cambria #1	
	Actual	Assume Debt Forgiven for Full Year
Ordinary Income/Expense		
Income		
4150 · Rent	\$ 44,064.00	44,064.00
Total Income	44,064.00	44,064.00
Expense		
6120 · Bank Charges	(0.99)	(0.99)
6156 · Insurance-Facilites	4,087.00	4,087.00
6160 · Interest Expense	15,311.58	14,103.73
6170 · Management Fees	3,120.00	3,120.00
6195 · Filing Fees	75.00	75.00
6213 · Janitorial	250.00	250.00
6220 · Landscaping	765.00	765.00
6221 · Facility Maintenance	4,157.07	4,157.07
6222 · Snow Removal	1,552.00	1,552.00
6315 · Consultant	467.50	467.50
6320 · Legal Fees	72.00	72.00
6345 · Security	138.32	138.32
6355 · Utilities	1,561.15	1,561.15
6400 · Property Taxes	6,778.22	6,778.22
Total Expense	38,333.85	37,126.00
Net Operating Income	5,730.15	6,938.00
Add back		
Interest Expense	15,311.58	14,103.73
Net Operating Income Excluding Depreciation and Interest Expense	21,041.73	21,041.73
Total Debt Service All Properties		
Principal	7,912.15	6,617.64
Interest Expense	15,311.58	14,103.73
Total Debt Service	23,223.73	20,721.37
Total Debt Service Coverage	\$ (2,182.00)	320.36

CAN-DO
Profit & Loss From Rental Income - Budget 2010
 January through December 2010

#28-10

	<u>20-22 Falmouth</u>
	<u>Budget</u>
Ordinary Income/Expense	
Income	
4150 · Rent	\$ 37,116.00
Total Income	<u>37,116.00</u>
Expense	
6120 · Bank Charges	20.00
6156 · Insurance-Facilites	2,864.00
6160 · Interest Expense	15,594.00
6170 · Management Fees	2,585.00
6195 · Filing Fees	75.00
6213 · Janitorial	660.00
6220 · Landscaping	560.00
6221 · Facility Maintenance	3,850.13
6222 · Snow Removal	1,552.00
6315 · Consultant	1,435.00
6355 · Utilities	840.18
6400 · Property Taxes	5,688.48
Total Expense	<u>35,723.79</u>
Net Operating Income	1,392.21
Add back	
Interest Expense	<u>15,594.00</u>
Net Operating Income	
Excluding Depreciation and Interest Expense	<u>16,986.21</u>
Total Debt Service All Properties	
Principal	4,300.00
Interest Expense	<u>15,594.00</u>
Total Debt Service	<u>19,894.00</u>
Total Debt Service Coverage	<u>\$ (2,907.79)</u>

CAN-DO
Profit & Loss From Rental Income - Debt Forgiven July 2009 #28-10
 January through December 2009

	20-22 Falmouth	
	Actual	Assume Debt Forgiven for Full Year
Ordinary Income/Expense		
Income		
4150 · Rent	\$ 37,116.00	\$ 37,116.00
Total Income	37,116.00	37,116.00
Expense		
6120 · Bank Charges	20.00	20.00
6156 · Insurance-Facilites	2,864.00	2,864.00
6160 · Interest Expense	15,080.62	15,080.62
6170 · Management Fees	2,585.00	2,585.00
6195 · Filing Fees	75.00	75.00
6213 · Janitorial	660.00	660.00
6220 · Landscaping	560.00	560.00
6221 · Facility Maintenance	3,850.13	3,850.13
6222 · Snow Removal	1,552.00	1,552.00
6315 · Consultant	1,435.00	1,435.00
6355 · Utilities	840.18	840.18
6400 · Property Taxes	5,688.48	5,688.48
Total Expense	35,210.41	35,210.41
Net Operating Income	1,905.59	1,905.59
Add back		
Interest Expense	15,080.62	15,080.62
Net Operating Income Excluding Depreciation and Interest Expense	16,986.21	16,986.21
Total Debt Service All Properties		
Principal	5,930.47	4,597.15
Interest Expense	15,080.62	15,080.62
Total Debt Service	21,011.09	19,677.77
Total Debt Service Coverage	\$ (4,024.88)	(2,691.56)

CAN-DO
Profit & Loss From Rental Income - Budget 2010
 January through December 2009

#28-10

		<u>90 Christina - Kayla House</u>
		<u>Budget</u>
Ordinary Income/Expense		
Income		
4150 · Rent	\$	90,459.00
Total Income		<u>90,459.00</u>
Expense		
5000 · Salary and Related		5,620.20
6156 · Insurance-Facilites		815.08
6160 · Interest Expense		18,809.00
6165 · Miscellaneous		622.94
6170 · Management Fees		4,648.08
6172 · Supportive Services		12,616.00
6173 · Condo Fees		4,296.00
6185 · Payroll Fees		3,395.25
6190 · Professional Fees - Accounting		1,000.00
6195 · Filing Fees		-
6205 · Supplies		50.00
6220 · Landscaping		552.00
6221 · Facility Maintenance		7,093.16
6222 · Snow Removal		130.50
6230 · Telephone		98.06
6320 · Legal Fees		75.00
6355 · Utilities		7,710.73
6400 · Property Taxes		8,098.97
Total Expense		<u>75,630.97</u>
Net Operating Income		14,828.03
Add back		
Interest Expense		<u>18,809.00</u>
Net Operating Income		
Excluding Depreciation and Interest Expense		<u><u>33,637.03</u></u>
Total Debt Service All Properties		
Principal		7,683.00
Interest Expense		<u>18,809.00</u>
Total Debt Service		<u><u>26,492.00</u></u>
Total Debt Service Coverage	\$	<u><u>7,145.03</u></u>

CAN-DO
Profit & Loss From Rental Income - Debt Forgiven July 2009 #28-10
 January through December 2009

	90 Christina - Kayla House	
	Actual	Assume Debt Forgiven for Full Year
Ordinary Income/Expense		
Income		
4150 · Rent	\$ 90,459.00	90,459.00
Total Income	<u>90,459.00</u>	<u>90,459.00</u>
Expense		
5000 · Salary and Related	5,620.20	5,620.20
6156 · Insurance-Facilites	815.08	815.08
6160 · Interest Expense	24,763.18	24,763.18
6165 · Miscellaneous	622.94	622.94
6170 · Management Fees	4,648.08	4,648.08
6172 · Supportive Services	12,616.00	12,616.00
6173 · Condo Fees	4,296.00	4,296.00
6185 · Payroll Fees	3,395.25	3,395.25
6190 · Professional Fees - Accounting	1,000.00	1,000.00
6195 · Filing Fees	-	-
6205 · Supplies	50.00	50.00
6220 · Landscaping	552.00	552.00
6221 · Facility Maintenance	7,093.16	7,093.16
6222 · Snow Removal	130.50	130.50
6230 · Telephone	98.06	98.06
6320 · Legal Fees	75.00	75.00
6355 · Utilities	7,710.73	7,710.73
6400 · Property Taxes	8,098.97	8,098.97
Total Expense	<u>81,585.15</u>	<u>81,585.15</u>
Net Operating Income	8,873.85	8,873.85
Add back		
Interest Expense	<u>24,763.18</u>	<u>24,763.18</u>
Net Operating Income Excluding Depreciation and Interest Expense	<u><u>33,637.03</u></u>	<u><u>33,637.03</u></u>
Total Debt Service All Properties		
Principal	10,833.55	7,937.29
Interest Expense	<u>24,763.18</u>	<u>24,763.18</u>
Total Debt Service	<u><u>35,596.73</u></u>	<u><u>32,700.47</u></u>
Total Debt Service Coverage	<u><u>\$ (1,959.70)</u></u>	<u><u>936.56</u></u>

CAN-DO
Profit & Loss From Rental Income - Budget 2010
 January through December 2010

#28-10

163 Jackson	
Budget	
Ordinary Income/Expense	
Income	
4150 · Rent	\$ 37,977.00
Total Income	37,977.00
Expense	
6156 · Insurance-Facilities	2,864.00
6160 · Interest Expense	15,124.00
6170 · Management Fees	2,760.00
6195 · Filing Fees	75.00
6220 · Landscaping	677.00
6221 · Facility Maintenance	5,396.58
6222 · Snow Removal	2,092.00
6355 · Utilities	2,492.65
6400 · Property Taxes	5,807.24
Total Expense	37,288.47
Net Operating Income	688.53
Add back	
Interest Expense	15,124.00
Net Operating Income	
Excluding Depreciation and Interest Expense	15,812.53
Total Debt Service All Properties	
Principal	4,338.00
Interest Expense	15,124.00
Total Debt Service	19,462.00
Total Debt Service Coverage	\$ (3,649.47)

CAN-DO
Profit & Loss From Rental Income - Debt Forgiven July 2009 #28-10
 January through December 2009

	163 Jackson	
	Actual	Assume Debt Forgiven for Full Year
Ordinary Income/Expense		
Income		
4150 · Rent	\$ 37,977.00	37,977.00
Total Income	37,977.00	37,977.00
Expense		
6156 · Insurance-Facilities	2,864.00	2,864.00
6160 · Interest Expense	15,515.59	15,515.59
6170 · Management Fees	2,760.00	2,760.00
6195 · Filing Fees	75.00	75.00
6220 · Landscaping	677.00	677.00
6221 · Facility Maintenance	5,396.58	5,396.58
6222 · Snow Removal	2,092.00	2,092.00
6355 · Utilities	2,492.65	2,492.65
6400 · Property Taxes	5,807.24	5,807.24
Total Expense	37,680.06	37,680.06
Net Operating Income	296.94	296.94
Add back		
Interest Expense	15,515.59	15,515.59
Net Operating Income Excluding Depreciation and Interest Expense	15,812.53	15,812.53
Total Debt Service All Properties		
Principal	5,930.71	4,597.39
Interest Expense	15,515.59	15,515.59
Total Debt Service	21,446.30	20,112.98
Total Debt Service Coverage	\$ (5,633.77)	(4,300.45)

CAN-DO
Operating Profit & Loss - Budget 2010
 Fiscal Year 2010

#28-10

Jan - Dec 10

	Budget
Ordinary Income/Expense	
Income	
4000 · Grants	79,029.71
4100 · Contributions & Donations	-
4102 · Fundraising	118,477.94
4150 · Rent	370,011.00
4200 · Interest Income	88.96
4250 · Laundry Income	2,459.00
4300 · Other Income	400.00
4550 · Management Fee Income	17,428.75
Total Income	587,895.36
Expense	
5000 · Salary and Related	128,075.63
6100 · Advertising	867.79
6120 · Bank Charges	2,743.35
6135 · Conference Fees	372.10
6140 · Depreciation	208,000.00
6145 · Donations	400.00
6150 · Dues and Subscriptions	1,574.00
6155 · Insurance D & O	2,127.85
6156 · Insurance-Facilities	20,658.58
6157 · Insurance -Office & Auto	1,848.04
6160 · Interest Expense	126,612.72
6165 · Miscellaneous	622.94
6170 · Management Fees	20,921.12
6171 · Administrative Fees	18.50
6172 · Supportive Services	12,616.00
6173 · Condo Fees	4,296.00
6175 · Postage and Delivery	1,129.97
6180 · Printing	6,490.85
6185 · Payroll Fees	8,078.13
6190 · Professional Fees - Accounting	21,419.89
6195 · Filing Fees	560.25
6200 · Rent Expense	25,520.00
6205 · Supplies	2,093.24
6210 · Exterminating	716.00
6213 · Janitorial	1,610.00
6215 · Repairs	950.00
6220 · Landscaping	4,270.00
6221 · Facility Maintenance	37,655.12
6222 · Snow Removal	10,871.50
6230 · Telephone	3,535.67
6235 · Travel	126.28
6238 · Auto lease	3,286.54
6240 · Parking	14.00
6315 · Consultant	8,761.25
6320 · Legal Fees	593.00

CAN-DO
Operating Profit & Loss - Budget 2010
 Fiscal Year 2010

#28-10

	Budget
6345 · Security	138.32
6355 · Utilities	31,553.98
6359 · Internet expense	63.34
6400 · Property Taxes	38,861.38
6710 · Fundraising Fees & Events	13,405.60
Total Expense	753,458.93
Net Operating Income	(165,563.57)
Add back	
Depreciation	208,000.00
Interest Expense	126,612.72
	169,049.15
Net Operating Income	
Excluding Depreciation and Interest Expense	169,049.15
Total Debt Service All Properties	
Principal	38,287.21
Interest Expense	126,612.72
	164,899.93
Total Debt Service	164,899.93
Total Debt Service Coverage	\$ 4,149.22

PLANNING AND DEVELOPMENT BOARD MINUTES

March 1, 2010 City Hall, Planning and Development Department Rm 209, 7:30 p.m.
1000 Commonwealth Avenue, Newton, Massachusetts 02459

Action Item: Update from Citizens for Affordable Housing in Newton Development Organization, Inc. (CAN-DO) on the organization's progress in meeting the goals outlined in their July 8, 2009 letter to the Planning and Development Board.

Josephine McNeil, the executive director of CAN-DO, provided the Board with a history of the organization. CAN-DO was formed in response to the availability of federal funds for a Community Housing Development Organization (CHDO) in Newton. The City approached Newton Community Development Foundation (NCDF) for assistance in identifying potential board members for Newton's CHDO. In 1994 Ms. McNeil became one of six initial CAN-DO board members. CAN-DO collaborated with the Second Step to develop its first project, Garfield House, in 1996. Garfield House is a transitional home for survivors of domestic violence. In 1999 CAN-DO received a CDBG capacity building grant from the City. This grant enabled the organization to hire Ms. McNeil as a part time Executive Director. In last ten years, CAN-DO has developed 37 units, 30 of which are deed restricted. CAN-DO worked with Newton Community Service Center to develop the Christina Street project. This project was the organization's first experience with a Chapter 40B project. Due to neighborhood opposition the project took a year longer to complete than was originally anticipated.

CAN-DO has expanded their development and management portfolio to include affordable rental units. These units currently house families with Section 8 vouchers. CAN-DO has assisted a total of 45 homeless families (including 80 children). An additional 26 families (including 30 children) have been assisted with permanent rental housing and eight families have been provided with homeownership opportunities in Newton as a result of CAN-DO.

CAN-DO's mission driven efforts have led the organization to assume risk. For example, CAN-DO recently utilized one of their vacant rental units to house a homeless single mother with a child. The family was taken in with the expectation that the City would soon receive Homeless Prevention and Rapid Re-Housing Program (HPRP) funds, as part of the American Recovery and Reinvestment Act, which could be applied to this situation. These funds took six months longer than anticipated to come through.

Another example of this risk is exemplified in the Millhouse project. Four of the six units were affordable in this project. When the housing market declined, CAN-DO was unable to financially recover, because the sale of the market rate units no longer supported the affordable units. Millhouse took over three years to complete and CAN-DO had no developer fee to show for the project. The project had a detrimental effect on the organization's financial situation and left CAN-DO operating off of credit card debt. The debt forgiveness approved by the Planning and Development Board in June 2009 offered some financial relief.

Over the next several years CAN-DO plans to develop a two unit, rental development targeted to veterans. The developer fees anticipated as a result of this project are expected to improve CAN-DO's financial situation further.

Ken Sinclair, CAN-DO's treasurer, reviewed the financial information submitted in the Planning and Development Board member's packets. Mr. Sinclair explained that each property should be able to financially stand on its own. These projects should be making a management payment to CAN-DO's central operating budget. This is currently not the situation due to the organization's diminished and/or lack of developer fees. However, CAN-DO's fundraising has gone up 18% from 2008 to 2009. This is particularly remarkable given the current economy.

The 2009 audit is in progress and CAN-DO will be submitting the results of that audit to the Planning and Development Board. The organization's profit and loss statement, which includes the direct loan forgiveness, shows an \$18,000 loss for 2009. However, without this loan forgiveness CAN-DO would have had a \$29,000 to \$30,000 loss in 2009. In 2010, projections show that the organization will experience a year end gain of \$4,000. While this is not where the CAN-DO hopes to be it represents a good start to regaining better financial control.

T. McCartney indicated that she was not pleased with the financial information submitted by CAN-DO and stated that more thought should have been put into the pro forma. Instead of carrying over all costs as a constant CAN-DO should account for increasing costs and anticipated vacancies. There were several individual property management fees, which include salary, payroll fees, and standard maintenance, that were very high. T. McCartney would like CAN-DO to strive toward a standard management fee of 5% to 10%, instead of the current 18% to 20%. In addition, certain maintenance costs in a rental property operation should be capitalized instead of expensed (as is currently being done). A balance sheet, showing the debt on each property and the organization's cash position should also be submitted to the Board. T. McCartney would like CAN-DO's board to evaluate the operating numbers with the goal of increasing the financial effectiveness of each property. For example, the expenses at Garfield House account for 80% of the property's income. Going forward CAN-DO should provide information to the Board on these expenses. In addition, the services grant that goes along with the (off setting) services expense for Christina Street should be shown as income for the property. T. McCartney would also like quarterly meetings to take place between the Board and CAN-DO.

J. Moss wondered why the developer fee for Veteran's House would be higher than the other properties developed by CAN-DO. Ms. McNeil responded that CAN-DO plans to take the maximum developer fee (12.5%) in order to enable the organization to set aside reserves for each property. In the past CAN-DO's developer fee was 5% to 7% but this has not been enough to sustain the financial viability of the organization.

D. Banash stated that he believes CAN-DO should hire an internal auditor to provide the type of financial analysis that T. McCartney completed as a volunteer. Ms. McNeil stated that the perspectives and methodologies of financial analysts differ from person to person. For example, while T. McCartney has one philosophy with regard to capitalizing expenses, CAN-DO's bookkeeper adheres to a different methodology.

It was Ms. McNeil's understanding that the Board was looking for a comparison of CAN-DO financial status prior to the loan forgiveness, after the loan forgiveness, and going forward. A financial analysis on each property was not conducted. If the Board would like to review this type of analysis they need to be aware that additional funds will need to be expended by CAN-DO to pay the bookkeeper for additional hours of work. T. McCartney responded that obtaining this type of help is also a matter of board development.

Mr. Lepie stated that he does not believe CAN-DO addressed how they were improving the financial status of the organization and explaining their plans for the future. He also believes that there are accessibility issues with CAN-DO's new project, Veterans House. T. McCartney responded that it is unreasonable to expect CAN-DO to have completed a 180 turn in the past nine months but progress is being made by the organization to change directions.

Federal Home Loan Bank of Boston
2009 AFFORDABLE HOUSING PROGRAM
IMPLEMENTATION PLAN

www.fhlbboston.com/communitydevelopment/fundingprograms/ahp/downloads/ahp_implementation_plan_09.pdf

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Developer fee

Typically, the developer's fee includes any developer overhead, fee and development consultant costs, the total of which shall not exceed 12.5 percent of total development cost, net of fee. However, if a primary funding source (such as the Low Income Housing Tax Credit program or HUD) allows a higher fee or requires a lower fee amount, the allowed amount of the developer fee of the AHP shall be the same, net of fee. In such case, any allowed developer fee in excess of 12.5 percent, net of fee, must be loaned back into the development, treated as equity or paid out of surplus cash flow in reasonably even installments, as available, over the 15 year retention period, at a market rate of interest. In any other case, whenever the amount of developer fee proposed is in excess of 12.5 percent, net of fee, the developer fee and the requested subsidy amount will be proportionately reduced.

NOTE: The FHLBB is providing a grant of \$50,000 for the Veteran House project.

CITY OF NEWTON, MASSACHUSETTS
FINANCIAL MANAGEMENT GUIDELINES

Adopted January 22, 2008

The government of the City of Newton exists to provide quality community services to residents, businesses and visitors to the Garden City. Governmental services that benefit all or substantially all community stakeholders are financed principally from the local property tax and accounted for in the City's General Fund. Business-like services that benefit distinct segments of the population are financed principally from user fees and charges and are accounted for in special revenue funds.

Budgets are used for planning and accountability purposes for all City funds. Formal fixed budgets, recommended by the Mayor and adopted by the Board of Aldermen, are used for all governmental and business-like services, and nothing in this document is to in any manner restrict the Mayor's authority and responsibility to allocate financial resources in the manner in which he determines best meets the needs of the City, and the Board of Aldermen's authority and responsibility to pass upon those financial allocations.

Financial planning: It is the policy of the City to update annually the City's General Fund multi-year financial forecast. Based upon consensus revenue and expenditure assumptions for existing service levels, revenue estimates will be developed by the City's senior financial management team (Chief Administrative Officer; Chief Budget Officer; Treasurer/Collector; Chair of the Board of Assessors; Assistant Superintendent of Schools for Finance and Planning; and the Comptroller of Accounts). Revenue estimates and expenditure assumptions for the annual budget will be developed by the Chief Budget Officer.

The multi-year forecast shall include actual revenue and expenditures for the last five complete fiscal years; the current year budget; and complete operating and capital expenditure and revenue projections for the next five fiscal years, and shall be structured around major revenue and expenditure classifications in the City's accounting system chart of accounts.

The annual five-year forecast shall be submitted to the Mayor for his review, modification and approval not later than 60 days after the conclusion of each fiscal year. Not later than 120 days after fiscal year-end, the Mayor shall submit the five-year financial forecast to the Board of Aldermen with such modifications as he deems appropriate. In accordance with state law, not later than 60 days prior to the fiscal year-end, the Mayor will submit a recommended annual operating budget to the Board of Aldermen for the ensuing fiscal year. The Board of Aldermen will adopt the budget within 45 days of receipt and the adopted budget will become effective on the first day of the new fiscal year.

Revenue budgeting: While General Fund revenue financial forecast estimates are expected to capture 99% of total expected revenue for the year, the Mayor is solely responsible for the revenue estimates contained in the annual budget which the Mayor submits to the Board of Aldermen.

- Property taxes – The City expects to annually levy property taxes up to the statutory limit imposed by Proposition 2 ½ . Projected new growth will be estimated at the median annual new growth rate for the trailing 5 year period, and the allowance for exemptions and abatements will be budgeted at between 1% and 5% of the gross property tax levy.
- Motor excise taxes – Motor vehicle excise taxes will be estimated based upon the prior year actual total plus the average annual rate of growth over the trailing five year period.
- Hotel room occupancy taxes – Hotel room occupancy taxes will be estimated based upon the prior year actual total plus the average annual rate of growth over the trailing five year period.
- Inspectional services permits – Inspectional services permit income will be estimated based upon the median annual revenue for the trailing five year period.
- Investment income – Investment income will be estimated based upon the prior year actual revenue, adjusted for the Treasurer/Collector’s forecast of interest rate changes over the next twelve month period.
- All other local non-tax revenue – Revenues from charges for services; penalties and fines; and in-lieu-of-taxes will be estimated based upon the prior year actual revenues, adjusted for any proposed change in fee/fine schedules, and/or non-recurring prior year revenue collections.
- Unrestricted state and federal aid – State “Cherry Sheet” aid will be estimated based upon the most recent information posted on the Massachusetts Department of Revenue website, or, in the absence of any such information, the Mayor’s best estimate of the probable amount of such state assistance for the next fiscal year. All other state and federal aid will be estimated based upon actual revenues for the most recent fiscal year, adjusted for any known changes in reimbursement policies and rates.
- Transfers from other funds – Reimbursements to the General Fund for the administrative and support services provided to other self-supporting funds will be based upon an annual analysis of the estimated value of such administrative and

CITY FINANCIAL MANAGEMENT GUIDELINES

Adopted January 22, 2008

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support services to the other funds. Under no circumstances shall the dollar amount of any reimbursement exceed the estimated value of services provided by the General Fund to the other self-supporting funds, in accordance with state law.

- Free Cash – Free Cash may be used as a financing source for the operating budget to the extent that the total amount being used can reasonably be expected to be available for support of the following year’s budget. However, it is not expected to serve as a recurring source of budget financing.
- The Mayor and the Chief Budget Officer may use any other method of estimating the above revenues for the annual budget if they deem it appropriate, and may allocate Free Cash in a manner that the Mayor, with the approval of the Board of Aldermen, deems to be in the best interest of the City.

Expenditure budgeting - It is a goal of the City to develop expenditure budget estimates that will be sufficient to address not less than 100% of projected operating requirements of the various departments of the City for the next fiscal year.

- Salaries and wages – It is the practice of the City that (A) budgeted salary and wage appropriations will be sufficient to fund all full-time and permanent part-time positions identified in each department’s table of organization and schedule of full and permanent part-time personnel, at the appropriate union contract or salary schedule rates for the new fiscal year. It is a goal of the City that General Fund employee salaries and wages that are expected to be funded in full or in part from funds other than the General Fund will be included in both the table of organization and schedule of full-time and permanent part-time personnel with an identification of the projected sources of financing for any reduction made in the appropriation for such employees. It is the practice of the City that, in the event that salary rates are not known at the time that the budget is being prepared, all salary and wages will be budgeted at current rates and provisions will be made for future wage and salary increases in a separate wage reserve appropriation. It is the practice of the City that salaries and wages will be budgeted based upon the exact number of pay periods for the fiscal year. It is a goal of the City that public safety overtime will be budgeted at levels sufficient to meet the median annual requirements for the trailing five year period, adjusted for any extraordinary and non-recurring overtime requirements (i.e. overtime to cover significant staff vacancies that have now been filed) or such other method as the Chief Budget Officer determines.
- Employee benefits – It is the practice of the City that funding will be included in each department operating budget for the projected cost of providing contributory health, life, dental and Medicare payroll taxes for all eligible employees at the benefit rates expected for the new fiscal year.

CITY FINANCIAL MANAGEMENT GUIDELINES

Adopted January 22, 2008

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- Pension contribution – To the extent required by state law, the annual contribution to the defined benefit contributory retirement fund shall not be less than the annual required contribution (ARC) prescribed by the Retirement Board’s actuary, and the annual appropriation for non-contributory retirement benefits will be the benefit estimate of the Retirement Board.
- Energy and utilities – It is a goal of the City that funding for energy and utility needs of the various departments of the City will be included at consumption levels estimated by the various departments and at consistent unit prices estimated to be reasonable by the Chief Budget Officer.
- Debt service – It is the practice of the City that appropriations for interest and principal will be the amounts certified by the Treasurer for the repayment of General Fund current issued debt and any debt service on new permanent and/or temporary debt that can be reasonably estimated by the Treasurer.
- State and county charges – It is the practice of the City that the appropriation for “Cherry Sheet” assessments will be the most recent estimates posted on the Massachusetts Department of Revenue website, or, in the absence of such information, 2 ½ % greater than the current year assessment and charge total.
- Judgments and settlements – It is the practice of the City that the annual appropriation for self-insured liability claims and settlements will not be less than the median annual expenditure for this purpose for the trailing five year period, adjusted for any other factors that may impact the actual amount required.
- Snow and ice control – The City may make the annual appropriation for snow and ice control purposes in an amount that will not be less than the median annual expenditure for this purpose for the trailing five year period. It is the policy of the City that, after Free Cash is certified, the Mayor will seek an appropriation of funds into snow and ice accounts in amount equal to the difference between the amount of the trailing five year average expenditure on snow and ice and the amount already in the accounts.
- Capital outlay and improvements – It is the practice of the City that the difference between budgeted debt service and a minimum of 3% of total estimated revenues for the year will be budgeted for future capital outlay and improvements; and, additionally, it is the practice of the City that the sum of anticipated revenue from Massachusetts School Building Authority debt service reimbursements for school projects will be dedicated to capital financing.

CITY FINANCIAL MANAGEMENT GUIDELINES

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- Budget Reserve – It is the practice of the City that, in order to provide for extraordinary and unforeseen revenue and expenditure contingencies, a Budget Reserve contingency will be included in the General Fund budget. It is a recommendation that the amount of the reserve be increased to an amount equal to 0.5% (one half of one percent) of total estimated revenue.
- Each of the foregoing goals, policies and practices in these guidelines is subject to the Mayor's responsibility to request the appropriation of funds in a manner and in amounts which he determines best meets the needs of the City of Newton and the Board of Aldermen's authority to approve them.

Property tax allowance for abatements and exemptions -- The Board of Assessors is required by law to include a provision for real and personal property tax exemptions; valuation abatements; and personal property tax uncollectibles in the annual tax levy. It has been their practice to provide 1.0% - 1.5% of the gross annual tax levy for these purposes and is determined annually by the Board of Assessors. They may base their determination upon prior year experience and risk exposure for the new fiscal year, or such other method as they deem appropriate. In addition, it has been the practice of the Board to maintain a reserve from prior year Overlay Surplus balances not less than \$1.1 million for extraordinary and unforeseen abatement experience. It is expected that the allowance will be at the upper end of the range in revaluation years. At least annually, the Board of Assessors analyzes the balance in all outstanding abatement and exemption reserves and makes an overlay surplus declaration for any balance(s) which exceed the sum of uncollected personal property taxes and pending abatement claims for that fiscal year's reserve at such times as it determines to be appropriate. The Overlay Surplus shall be available for appropriation by the Mayor and Board of Aldermen. To the extent that any overlay surplus balance remains unappropriated at June 30th, it will be closed to Free Cash.

Cash management and investments – Absent legal and/or contractual restrictions, City operating cash will be pooled, with ownership information maintained in the City's accounting system. All investment income on temporarily idle cash will be credited to General Fund revenue, unless legal authority exists to allocate the investment income to another fund. Investment income earned on pooled cash will be allocated quarterly based upon month end cash balances and Massachusetts Municipal Depository Trust (MMDT) month end interest rates.

Investments will be limited to those authorized by state law and City investment policy.

General ledger cash and investment totals are reconciled to the Treasurer's records and supporting bank statements on a monthly basis.

Risk management – The City purchases commercial insurance for only those risk exposures that can not be effectively managed and financed internally.

- Property insurance – Commercial insurance, including terrorism coverage, is purchased for all City buildings and their contents. Coverage is provided for scheduled locations only, subject to a deductible of \$100,000 per loss event. Insured values are adjusted annually for both improvements to the structures and an estimate of the increase in replacement values. Property insurance premiums are currently financed from an inter-fund transfer from the City's Building Insurance Fund.
- Vehicle insurance – The City retains vehicle risk exposure for all vehicles, except Parks and Recreation automobiles and vans used to transport members of the public. The cost of the Parks and Recreation vehicle insurance premium is financed from the Recreation Activity/Classes Revolving Fund. Staff of the City Law Department manages all vehicle claims, and settlements are paid from an annual appropriation in the Law Department budget.
- Liability insurance – The City retains all public liability risk exposures, except for retirement system fiduciary liability, for which the Retirement Board purchases commercial insurance coverage through a state-wide insurance pool, and special events for which commercial liability insurance is required by law or contract. It is the practice of the City that staff of the City Law Department manages all liability claims, and settlements are paid from an annual appropriation in the Law Department budget.
- Crime/employee dishonesty – Individual fidelity bonds are purchased for the City Treasurer/Collector, Deputy Treasurer/Collector and City Clerk, as required by state law. A fidelity bond is also purchased for the Chief Procurement Officer in accordance with local ordinance. All other employees of the City are covered under a blanket honesty bond, subject to deductibles of \$5,000 and \$10,000 per loss.
- Workers' Compensation – It is the practice of the City that: (A) The City retains all Workers' Compensation and public safety employee injured on duty risk exposures; (B) The City's Human Resources and Law Departments are responsible for claims administration; (C) Public safety employee injured on duty compensation is paid from the Police and Fire Department operating budgets; (D) Workers' Compensation benefits for non-public safety employees and police and fire medical bills are paid from the City's Workers' Compensation Self-Insurance Fund; (E) The City contracts annually for an actuarial valuation of the Workers' Compensation fund liability and a determination of the required annual contribution to the self-insurance fund.

- Group health insurance - The City offers group health benefits to employees, regularly working 20 or more hours per week and to retirees. The City retains the full risk associated with health benefits coverage, subject to a \$250,000 annual limit on individual claims, which is covered through a commercial excess insurance policy. The City contracts with Harvard-Pilgrim Health and Tufts Health plans for claims administration services. Health benefit self-insurance premiums are established annually by the City, at a level expected to cover the full cost of paid claims; incurred but unreported claims; claims administration; excess insurance premiums; and a reserve for extraordinary and unforeseen claims experience. The target claims reserve is two months of average paid claims. Employees and retirees currently contribute 20% of the cost of coverage and the City funds the balance. All self-insured group health insurance activity takes place in a Group Health Insurance Fund, for which individual fund balances are maintained for each benefit plan option.

- All of the foregoing are the present practices of the City.

Official and officer compensation: The City expects to maintain compensation policies designed to attract and retain the most qualified officials and officers possible. Management level employees will be expected to maintain the highest level of professional competency during their employment with the City. To this end, it will be the policy of the City to provide resources for ongoing professional training and staff development.

- Elected officials – In accordance with the requirements of the City Charter, compensation for the Mayor, members of the Board of Aldermen, and School Committee is established by ordinance. Elected official compensation is generally subject to review by a Blue Ribbon Compensation Committee, every five to ten years.

- Management and non-union employees – The salaries of all Newton Public School management and non-union employees are determined by a vote of the School Committee. All municipal management and non-union employee salaries, except for the City Clerk/Clerk of the Board of Aldermen, are governed by a pay plan approved by the Mayor and subject to funding by the Board of Aldermen. The salary of the City Clerk/Clerk of the Board of Aldermen is established by ordinance, as required by law. The salaries of all municipal employees are published in the annual budget.

Procurement: In order to demonstrate that City resources are being used in an effective and efficient manner, the City expects to make maximum use of competitive bids and proposals for the purchase of goods and services.

CITY FINANCIAL MANAGEMENT GUIDELINES

Adopted January 22, 2008

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Capital Planning: The City acquires, constructs and maintains a range of capital assets for purposes of providing governmental and business-like services. In accordance with the requirements of the City Charter, the Mayor annually prepares a five-year capital improvement plan, whose objective is to identify and prioritize financing sources for needed capital outlay improvements.

Capital outlay and improvements with a value of \$500,000 or more, along with those financed with capital grants and/or debt will be accounted for in a Capital Project Fund. Capital outlay and improvements with a value of less than \$500,000, but which are expected to require replacement annually, will be accounted for within the operating budget of the appropriate department. Non-recurring capital outlay and improvements with a value of less than \$500,000 will be accounted for by department in the special appropriation sub-fund of the appropriate City fund. In order to accumulate resources for future capital needs, a Capital Stabilization Fund will be maintained, with such separate sub-funds as the Mayor and Board of Aldermen shall agree to be necessary in order to effectively plan for future capital needs.

In order to spread the cost of capital improvements over the generations of Newton stakeholders expected to benefit from the improvements, debt financing is expected to be the principal financing source for major capital improvements. Debt maturity terms will not exceed the expected life of the capital asset being financed. Debt service for capital improvements benefiting all or the majority of the stakeholders of the City is to be financed from General Fund resources. Debt Service for water and sewer (including storm-water projects) will be financed from special revenue fund resources and debt service for eligible community preservation fund projects will be financed from Community Preservation Fund resources.

At least 3% of General Fund revenue, plus all Massachusetts School Building Assistance grant reimbursements, will be dedicated to capital improvement financing. To the extent that annual debt service requirements are less than this sum, the difference will be appropriated to the City's Capital Stabilization Fund for future capital financing.

All of the foregoing is a reflection of existing practice.

Financial Reporting: The accounting records of the City will be maintained such that financial statements and supporting schedules can be prepared in accordance with the City's budgetary basis of accounting; the requirements of the Commonwealth of Massachusetts Departments of Revenue and Education; and generally accepted accounting principals for state and local governments.

CITY FINANCIAL MANAGEMENT GUIDELINES

Adopted January 22, 2008

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The Board of Aldermen, through an Audit Sub-Committee of the Board's Finance Committee, shall make arrangements for an independent annual financial audit of the City's financial statements and accounts, which is expected to be presented no later than 180 days after the end of the City's fiscal year. Copies of the City's audited Comprehensive Annual Financial Report, Federal Single Audit Report, and Management Letter will be posted on the City's website.

Quarterly budgetary-basis financial reports, in a format requested by the Mayor and the Finance Committee of the Board of Aldermen, will be rendered within 30 days after the close of each fiscal quarter, with the exception of year-end, when a complete budgetary basis annual financial report shall be presented within 60 days of the end of the fiscal year. A complete copy of the budgetary-basis annual financial report will be posted on the City's website. More frequent financial reports will be rendered as needed in order to assure that the mayor and Board of Aldermen are made aware of unanticipated results of financial operations.

Free Cash – Free Cash represents the accumulated difference between General Fund revenues and expenditures, on a cash basis of accounting. It is a goal of the City that Free Cash is not expected to be a recurring source of financing for either the operating or capital budget of the City. It is a goal of the City that the primary purpose of Free Cash is to serve as a financing source for third tier budget contingencies (revenues or expenditures) that are not provided for in either operating Department or Budget Reserve appropriations of the annual General Fund budget, and to hedge against reductions in annual state aid distributions to the City. The target amount of free cash is 1% - 3% of General Fund revenue. The City recognizes that the target amount of Free Cash is significantly less than national norms, however, the target level is considered prudent, given the stability of our revenue sources and the following recommendations contained in this document:

- General Fund Revenues budgeted at 99% of what actual collections are expected to be.
- Free Cash is not expected to serve as a recurring operating or capital budget financing source.
- Employee salaries and wages budgeted in full within annual operating budgets and provision is made for expected collective bargaining and salary scale adjustment in a separate wage reserve.
- Legal claims and settlements, budgeted at the median annual expenditure level for the trailing five year period, with backup reserve capability in the Liability Self Insurance Fund.

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- Snow and ice control appropriated at the median annual expenditure level for the trailing five year period, with backup reserve capacity in the appropriated Budget Reserve (contingency).
- Separate funded self insurance funds maintained for Group Health and Workers' Compensation liability exposures.
- A Budget Reserve (revenue and expenditure) contingency of 0.5% of total revenues is included in the annual operating budget to meet recurring extraordinary and unforeseen requirements.
- The property tax serves as the City's primary source of revenue and revenues from this source are not as economically sensitive as revenues from sales and wage taxes.
- Property taxes are payable in quarterly installments, with delinquencies assessed penalties of 14% per annum, which provides the City with a source of regular and stable cash flow.
- It shall be the practice of the Mayor to inform the Board of Aldermen whenever these guidelines, goals, policies and practices need to be modified in a particular instance.

CITY OF NEWTON, MASSACHUSETTS
DRAFT FINANCIAL MANAGEMENT GUIDELINES

#78-10

generally subject to review by a Blue Ribbon Compensation Committee, every five to ten years.

- **Management and non-union employees:** The salaries of all Newton Public School management and non-union employees are determined by vote of the School Committee. All municipal management and non-union employee salaries, except for the City Clerk/Clerk of the Board of Aldermen, is governed by pay plan approved by the Mayor and subject to funding by the Board of Aldermen. The salary of the City Clerk/Clerk of the Board of Aldermen is established by ordinance, as required by law. The salaries of all municipal employees are published in the annual budget.

Procurement: In order to demonstrate that City resources are being used in an effective and efficient manner, the City expects to make maximum use of competitive bids and proposals for the purchase of goods and services.

Capital planning: The City acquires, constructs, and maintains a range of capital assets for purposes of providing governmental and business-like services. In accordance with the requirements of the City Charter, the Mayor annually prepares a five year capital improvement plan, whose objective is to identify; prioritize; and identify financing sources for needed capital outlay and improvements.

Capital outlay and improvements with a value of \$500,000 or more; those financed with capital grants and/or debt will be accounted for in a Capital Project Fund. Capital outlay and improvements with a value of less than \$500,000, but which are expected to require replacement annually, will be accounted for within the operating budget of the appropriate department. Non recurring capital outlay and improvements with a value of less than \$500,000 will be accounted for by department in the special appropriation sub-fund of the appropriate City fund. In order to accumulate resources for future capital needs, a Capital Stabilization Fund will be maintained, with such separate sub-funds as the Mayor and Board of Aldermen shall agree to be necessary in order to effectively plan for future capital needs.

In order to spread the cost of capital improvements over the generations of Newton stakeholders expected to benefit from the improvements, debt financing is expected to be the principal financing source for major capital improvements. Debt maturity terms will not exceed the expected life of the capital asset being financed. Debt service for capital improvements benefiting all or the majority of the stakeholders of the City is to be financed from General Fund resources. Debt service for water and sewer (including storm-water projects) will be financed from special revenue fund resources and debt service for eligible community preservation fund projects will be financed from Community Preservation Fund resources.

At least 3% of General Fund revenue, plus all Massachusetts School Building Assistance grant reimbursements, will be dedicated to capital improvement financing. To the extent

CITY OF NEWTON, MASSACHUSETTS
DRAFT FINANCIAL MANAGEMENT GUIDELINES

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that annual debt service requirements are less than this sum, the difference will be appropriated to the City's Capital Stabilization Fund for future capital financing.

All of the foregoing is a reflection of existing practice.

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Financial reporting: The accounting records of the City will be maintained such that financial statements and supporting schedules can be prepared in accordance with the City's budgetary basis of accounting; the requirements of the Commonwealth of Massachusetts Departments of Revenue and Education; and generally accepted accounting principals for state and local governments.

The Board of Aldermen, through an Audit Sub-Committee of the Board's Finance Committee, shall make arrangements for an independent annual financial audit of the City's financial statements and accounts, which is expected to be presented not later than 180 days after the end of the City's fiscal year. Copies of the City's audited Comprehensive Annual Financial Report; Federal Single Audit Report; and Management Letter will be posted on the City's web-site.

Quarterly budgetary-basis financial reports, in a format requested by the Mayor and Finance Committee of the Board of Aldermen, will be rendered within 30 days after the close of each fiscal quarter, with the exception of year-end, when a complete budgetary basis annual financial report shall be presented within 60 days of the end of the fiscal year. A complete copy of the budgetary basis annual financial report will be posted on the City's web site. More frequent financial reports will be rendered as needed in order to assure that the Mayor and Board of Aldermen are made aware of unanticipated results of financial operations.

Free cash: Free cash represents the accumulated difference between General Fund revenues and expenditures, on a cash basis of accounting. It is a goal of the city that free cash is not expected to be a recurring source of financing for either the operating or capital budget of the City. It is a goal of the city that the primary purpose of free cash is to serve as a financing source for third tier budget contingencies (revenues or expenditures) that are not provided for in either operating department or budget reserve appropriations of the annual General Fund budget, and to hedge against reductions in annual state aid distributions to the City. The target amount of free cash is 1% - 3% of General Fund revenue. The City recognizes that the target amount of free cash is significantly less than national norms; however, the target level is considered prudent given the stability of our revenue sources and the following recommendations contained in this document:

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- General Fund revenues budgeted at 99% of what actual collections are expected to be.
- Free cash is not expected to serve as a recurring operating or capital budget financing source.

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CITY OF NEWTON, MASSACHUSETTS
DRAFT FINANCIAL MANAGEMENT GUIDELINES

#78-10

- Employee salaries and wages, budgeted in full within annual operating budgets and provision is made for expected collective bargaining and salary scale adjustments in a separate wage reserve.

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- Legal claims and settlements, budgeted at the median annual expenditure level for the trailing five year period, with back up reserve capability in the Liability Self Insurance Fund.

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- Snow and ice control, appropriated at the median annual expenditure level for the trailing five year period, with back up reserve capacity in the appropriated Budget Reserve (contingency).

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- Separate funded self insurance funds, maintained for Group Health and Workers Compensation liability exposures.

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- A budget reserve (revenue and expenditure) contingency of 0.5% of total revenues is included in the annual operating budget to meet recurring extraordinary and unforeseen requirements.

- The property tax serves as the City's primary source of revenue and revenues from this source are not as economically sensitive as revenues from sales and wage taxes.

- Property taxes are payable in quarterly installments, with delinquencies assessed penalties of 14% per annum, which provides the City with a source of regular and stable cash flow.

It shall be the practice of the mayor to inform the Board of Aldermen whenever these guidelines, goals, policies and practices need to be modified in a particular instance.

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CITY OF NEWTON, MASSACHUSETTS
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CITY FINANCIAL MANAGEMENT GUIDELINES:
Financial Reserve Policy

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Financial reserves are necessary in order for the City to continue to provide essential public services in the face of extraordinary and unforeseen financial events that could not have been reasonably anticipated and provided for in the annual operating budget. Sufficient financial reserves are also required by credit rating agencies.

In order to minimize the magnitude of reserves that must be held for extraordinary and unforeseen financial risks, revenues will be estimated conservatively; all known expenditure requirements will be funded at levels consistent with prior year experience, along with any unique factors likely to impact the new fiscal year; and non-recurring revenues and/or financing sources will only be used for non-recurring expenditure purposes.

Similarly, in order to minimize General Fund reserve requirements, activities funded by fees and user charges will maintain adequate reserves within their appropriate special revenue fund(s). Fees and user charges will be set at least annually at levels sufficient, when appropriate, to meet the full operating and capital replacement costs, and maintain the level of financial reserves established for that fund. Commercial insurance will also be purchased to transfer financial risk associated with any activities that the City can not reasonably fund from available reserves in self insurance funds.

The City's financial reserves will incorporate three basic types of reserves for each major operating fund (i.e., the General Fund, the Stormwater, Water and Sewer Funds, and the Revolving Funds).

- A ***budget reserve appropriation*** to address annual operating expenditure contingencies which are non-recurring and of an extraordinary and unforeseen nature. Any such funds that are not needed for operating expenditure contingencies during a given fiscal year are to be closed out to fund balance (free cash) at year end.
- A ***rainy day stabilization fund*** to address cyclical declines in operating revenues, generally resulting from economic factors outside the control of the City. In the case of the City's General Fund, these cyclical declines typically would be evidenced by reductions in state aid; reductions in economically sensitive taxes such as the motor vehicle excise tax, the hotel room occupancy tax, and the local option meals tax; and reductions in building permit and investment income revenues. Water and Sewer Fund rainy day stabilization funds are intended to mitigate extraordinary and unforeseen revenue declines that result from cyclical weather conditions that reduce water sales. Any funds that are not needed for rainy day contingencies in a given fiscal year will remain in the rainy day stabilization fund.
- A ***wage reserve account*** to provide funding for anticipated collective bargaining costs.

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General Fund

Effective with the fiscal year beginning July 1, 2011, *free cash* will be used exclusively as a financing source for the General Fund *budget reserve appropriation* and for funding contributions to the City's *rainy day stabilization fund*.

The target size of the City's annual *budget reserve appropriation* account will be between one half and one percent of the annual General Fund operating budget. (Note: Based on the current General Fund budget of \$294.7 million, a budget reserve of between \$1.5 million and \$3 million would be required.)

In addition to the budget reserve appropriation account, a *wage reserve account* will be included in each annual budget to provide funding for anticipated collective bargaining costs. Any funds included in such an account that exceed actual collective bargaining settlement requirements will be closed out to fund balance (free cash) at year end. To the extent that contract settlements remain unresolved at year end, the balance in the wage reserve account will be continued into the following fiscal year to fund probable obligations for the prior year.

Although General Fund financial reserve policies frequently focus on the appropriate levels of undesignated/unassigned fund balance, or *free cash*, Newton intends to address its General Fund "rainy day" needs in a separate *rainy day stabilization fund*. The primary reason for the formal segregation of such monies is to prevent these critical reserves from being used for unrelated City needs, and to demonstrate that resources are in fact being set aside specifically for extraordinary and unforeseen revenue disruption.

The *rainy day stabilization fund* is designed to be used when the City faces a multiple year economic recession or downturn. Indications of such a recession or downturn are declines in state aid or in economically sensitive taxes such as the motor vehicle excise tax, the hotel room occupancy tax, and the local option meals tax; and reductions in building permit and investment income revenues. To ensure that the rainy day stabilization funds are available for multiple years of an economic downturn, no more than 1/3rd of the funds can be used in any single fiscal year. Appropriations may be made from the Rainy Day Stabilization Fund into the General Fund for operating purposes, upon recommendation of the Mayor and by a two-thirds vote of the Board of Aldermen.

The target size of the City's General Fund *rainy day stabilization fund* is 5% of General Fund revenue. Once established by formal vote of the Mayor and Board of Aldermen, annual contributions will be made to the fund until such time as the contributions and accumulated investment income equal 5% of total General Fund revenue. (Note: Based upon the current \$294.7 million, the target rainy day stabilization fund would be \$15

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million.) The City recognizes that the target amount of the rainy day stabilization fund is somewhat less than national norms;¹ however, this target level is considered prudent given the following considerations:

- The budget reserve appropriation, the rainy day stabilization fund, and free cash, are not expected to serve as a recurring operating or capital budget financing sources.
- Employee salaries and wages will be budgeted in full within annual operating budgets and provision is made in the wage reserve account for expected collective bargaining and salary scale adjustments.
- Legal claims and settlements will be budgeted at the median annual expenditure level for the trailing five year period, with back-up reserve capability in the Liability Self Insurance Fund.
- Snow and ice control costs will be appropriated at the median annual expenditure level for the trailing five year period, with back-up reserve capacity in the Budget Reserve Appropriation.
- Separately funded self insurance funds are maintained for Group Health and Workers Compensation liability exposures.
- A budget reserve appropriation of between one half and one percent of total revenues will be included in the annual operating budget to meet recurring extraordinary and unforeseen requirements.
- The property tax serves as the City's primary source of revenue and revenues from this source are more predictable, stable, and not as economically sensitive as revenues from sales and wage taxes.
- Property taxes are payable in quarterly installments, with delinquencies assessed penalties of 14% per annum, which provides the City with a source of regular and stable cash flow.

The City expects to be able to achieve the target level *rainy day stabilization fund* over the next three fiscal years (as the current Capital Stabilization Fund is depleted) by:

¹ The Government Finance Officers Association of United States and Canada (GFOA) recommends that at a minimum, general purpose governments regardless of size, maintain general reserves of no less than two months of regular operating revenues or expenditures. Based upon Newton's current General Fund budget of \$294.7 million this would equate to \$49.1 million.

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- Limiting the amount of free cash used to fund the fiscal year 2011 budget to not more than \$2 million and the amount used to fund the 2012 and 2013 budgets by not more than \$1.5 million per year (all of which will be for purposes of funding the budget reserve appropriation account);
- By properly budgeting for anticipated snow and ice control; public safety overtime; and recurring legal settlements beginning with the fiscal year 2012 operating budget;
- By closing all future overlay surplus balances, not needed for funding ongoing revaluation activity, to free cash;
- By retaining extraordinary revenue items such as those from the Verizon personal property tax settlement and the New Falls in lieu of tax advance payment within free cash;
- And from limiting the use of any growth in investment income, inspectional services permit revenue, and motor excise tax revenue for operating budget growth until the 5% rainy day stabilization fund target is realized.

Once the target levels for the budget reserve appropriation and the rainy day stabilization fund are realized, any excess free cash reserves may be appropriated for current pay-as-you go capital project financing; for third tier budget contingencies (revenues or expenditures) that are not otherwise provided for; or may be contributed to the City's Capital Project Stabilization Fund for future capital project funding.

Water and Sewer Utility Funds

The City has experienced significant volatility in water and sewer fund revenue collections over the past couple of years. This volatility has resulted from a combination of changes in water consumption patterns, resulting from year to year changes in weather conditions; high levels of abatements resulting from faulty meter readings; and from rates that were set artificially low, based upon consumption assumptions that have been in excess of actual historical experience.

In order to minimize the need for multiple rate increases in a single fiscal year, the postponement of needed capital outlay and improvements, and potential General Fund subsidies, water and sewer rates will be determined annually, based upon the most recent historical consumption patterns; a ***budget reserve*** equal to one half of one percent of the annual budget will be included in each year's operating budget for operating contingencies; adequate funding will be included in each annual operating budget for both capital projects, regular maintenance and replacement of water meters; and a ***rainy day stabilization fund*** equal to at least 10% of the budget shall be maintained in each

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fund to mitigate extraordinary and unforeseen revenue declines that result from cyclical weather conditions that reduce water sales.

Self Insurance Funds

The City will purchase commercial insurance to transfer any risk too large to self fund.

For property insurance purposes, this means purchasing commercial insurance for all loss exposures, except for deductibles of up to \$250,000 (current deductible is \$100,000).

For group health self insurance purposes, this means purchasing excess insurance for claims in excess of \$250,000 and retaining reserves of between 1.5 and 2 months of average claims experience (net of the incurred but unreported claims liability that is to be recalculated at least annually based upon actual claims payment data provided by plan administrators). Premiums will be set annually at a level sufficient to meet projected claims and to maintain the required reserves. To the extent that reserves exceed the target levels, premiums may be reduced accordingly such that the excess reserves are reduced to the target levels.

For workers compensation self insurance purposes, the City will annually arrange for an independent actuarial valuation of the City's workers compensation plan liabilities and will make contributions to the fund in the following year at a level sufficient to meet the actuarial estimate of projected losses. In lieu of purchasing commercial stop loss insurance, the City may maintain a reserve equal to 10% of the sum of the accrued actuarial liability plus projected following year expected losses, in order to fund extraordinary and unforeseen claims experience. To the extent that fund reserves exceed the target level, excess reserves may be used to reduce the City's annual appropriation.

Capital Project Stabilization Fund

The City will also establish a *capital project stabilization fund*. This stabilization fund is a mechanism for setting aside money for capital projects in order to equalize the effect of capital expenditures over time and supplement monies for capital projects from the General Fund (typically for short-term, small capital investments), debt service, unexpended/unobligated bond proceeds, state and federal grants, sale of surplus property, water and sewer charges, and other available funds. Massachusetts General Law, Chapter 40, Section 5B provides for the establishment and maintenance of Capital Project Stabilization Funds. The Mayor and the Board of Aldermen may vote to appropriate sums of money into a Capital Project Stabilization Fund for purposes of accumulating sums for future capital project financing. Appropriations may be made from a Capital Project Stabilization Fund by a two-thirds vote of the Board of Aldermen for any purpose for which the City is authorized to borrow under Chapter 44, Sections 7 and 8.



David B. Cohen
Mayor

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Memorandum

To: Honorable Members of the Board of Aldermen
From: Susan Burstein, Chief Budget Officer
Date: April 2, 2009
Re: Capital Financing Plan

A number of members have asked to see a revised capital plan in conjunction with the authorization to purchase the trash toters for the automated trash/single stream recycling contract. The debt service for these toters will be paid for from the annual savings in trash collection costs and will have no impact on the long range capital plan. The Mayor is prepared to discuss the entire capital plan in greater detail in conjunction with the budget, with any and all appropriate Board committees.

The attached capital plan incorporates the recent successful bond sale and continues to meet the objective of funding Newton North, the renovation of the fire stations, the new fields at Newton South and all other project previously approved by the board, as well as allowing for an annual investment of \$3.5 million for new capital projects.

This plan is presented in a similar fashion to the plans discussed last year at this time. It includes may of the same assumptions and definitions.

1. The cost of Newton North High School is \$197.5 million
2. Debt terms
 - a. Newton North debt will be for a term of 30 years (except \$15 million loan from MSBA which is 2% for 25 years)
 - b. All Other building related debt will be for 20 years.
 - c. All Other non-building debt will be for 15 years.
 - d. Debt for New Turf is for 15 years at a aggregate rate of 3.18%
3. We will continue to renovate all of the fire stations on a schedule of approximately one every 18 to 24 months. The cost assumed for these renovations is \$2.75 million each.
4. The percent of revenue dedicated to capital financing increases from 3% to a maximum of 5%.
5. We will continue to spend \$3.5 million per year on other building and non-building capital initiatives annually.
6. Old debt includes all debt issued before FY07 and debt related to Newton South.
7. Any future capital expenditures will be through debt exclusion to the extent that they will cause the plan to exceed 5% of revenue for debt service.

New on this plan is a category of self supporting debt. This includes the trash toters, the Day energy project and a new street betterment. In each case there is either a funding stream from savings generated directly from the project or dedicated revenue. For example, the automated trash/single stream recycling project is expected to save at least \$1 million in FY11. The debt service for the toters will be paid from this savings yielding a savings of \$650,000 in FY11 increasing annually until the bond is fully paid off. Guaranteed Energy savings will pay for the work at Day in a similar fashion.

Please let me know if you have any additional questions.

City of Newton
Capital Financing Plan

	2009	2010	2011	2012	2013	2014	2015
Annual Debt Service Payments							
Total Debt Service	\$ 10,008,284	\$ 14,046,798	\$ 14,720,495	\$ 15,314,638	\$ 15,093,417	\$ 15,446,813	\$ 14,960,383
North High School	\$ 3,646,119	\$ 8,191,910	\$ 8,711,920	\$ 9,388,064	\$ 9,300,082	\$ 9,213,457	\$ 9,131,207
Old Debt	\$ 5,419,822	\$ 4,011,829	\$ 3,927,857	\$ 3,282,185	\$ 2,779,897	\$ 2,689,858	\$ 2,055,238
New Turf	\$ -	\$ 323,100	\$ 309,200	\$ 304,900	\$ 300,600	\$ 296,300	\$ 290,925
Fire Stations	\$ 101,416	\$ 428,888	\$ 445,788	\$ 658,221	\$ 678,383	\$ 893,978	\$ 807,453
Other Capital - Total	\$ 840,927	\$ 1,091,071	\$ 1,325,731	\$ 1,681,269	\$ 2,034,456	\$ 2,353,221	\$ 2,675,561
Debt Service from Capital Reserve	\$ (1,758,219)	\$ (7,317,622)	\$ (6,694,454)	\$ (5,214,055)	\$ (2,824,837)	\$ (175,264)	\$ -
Total General Fund Debt Service	8,250,065	6,729,175	8,026,041	10,100,584	12,268,580	15,271,549	14,960,383
Contribution to Capital Reserve	\$ 5,811,344	\$ 4,152,451	\$ 102,321	\$ 30,000	\$ 30,000	\$ 30,000	\$ 770,698
Capital Reserve Balance	\$ 18,006,208	\$ 14,841,036	\$ 8,248,902	\$ 3,064,848	\$ 270,011	\$ 124,747	\$ 895,445
Self Funded Debt Service							
Trash Toters							
Funded with trash savings			\$ 345,600	\$ 336,640	\$ 327,680	\$ 318,720	\$ 309,760
NORESCO - Day Middle Energy Renovation		\$ 177,363	\$ 171,063	\$ 168,963	\$ 166,863	\$ 164,763	\$ 162,138
Funded with school energy savings							
Bencliffe Circle		\$ 25,313	\$ 24,313	\$ 23,913	\$ 23,513	\$ 23,113	\$ 22,613
Funded with betterments							
GRAND TOTAL GENERAL FUND DEBT SERVICE	\$ 6,931,850	\$ 8,567,016	\$ 8,567,016	\$ 10,630,099	\$ 12,786,635	\$ 15,778,144	\$ 15,454,893

City of Newton
Capital Financing Plan

	2016	2017	2018	2019	2020	2021	2022
Annual Debt Service Payments							
Total Debt Service	\$ 15,349,670	\$ 15,448,318	\$ 15,584,928	\$ 15,704,524	\$ 15,701,116	\$ 15,819,911	\$ 15,717,506
North High School	\$ 9,066,795	\$ 9,009,995	\$ 8,941,307	\$ 8,878,307	\$ 8,819,507	\$ 8,759,707	\$ 8,708,707
Old Debt	\$ 1,996,153	\$ 1,886,443	\$ 1,836,940	\$ 1,791,141	\$ 1,614,438	\$ 1,563,738	\$ 1,312,788
New Turf	\$ 285,013	\$ 278,563	\$ 272,113	\$ 265,125	\$ 257,600	\$ 249,000	\$ 240,400
Fire Stations	\$ 1,012,997	\$ 982,614	\$ 962,238	\$ 936,305	\$ 904,960	\$ 877,990	\$ 841,220
Other Capital - Total	\$ 2,988,714	\$ 3,290,704	\$ 3,572,331	\$ 3,833,646	\$ 4,104,612	\$ 4,369,477	\$ 4,614,392
Debt Service from Capital Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total General Fund Debt Service	\$ 15,349,670	\$ 15,448,318	\$ 15,584,928	\$ 15,704,524	\$ 15,701,116	\$ 15,819,911	\$ 15,717,506
Contribution to Capital Reserve	\$ 859,922	\$ 1,306,143	\$ 1,315,504	\$ 1,703,190	\$ 2,051,193	\$ 2,733,486	\$ 3,190,413
Capital Reserve Balance	\$ 1,755,368	\$ 3,061,510	\$ 4,377,014	\$ 6,080,205	\$ 8,131,398	\$ 10,864,884	\$ 14,055,297
Self Funded Debt Service							
Trash Toters	\$ 300,800	\$ 291,840	\$ 282,880	\$ 273,920	\$ 264,960		
Funded with trash savings							
NORESCO - Day Middle Energy Renovation	\$ 154,250	\$ 151,250	\$ 148,250	\$ 145,000	\$ 141,500	\$ 137,500	\$ 133,500
Funded with school energy savings							
Bencliffe Circle	\$ 22,063	\$ 16,463	\$ 16,013	\$ 15,525			
Funded with betterments							
GRAND TOTAL GENERAL FUND DEBT SERV	\$ 15,826,783	\$ 15,907,870	\$ 16,032,070	\$ 16,138,969	\$ 16,107,576	\$ 15,957,411	\$ 15,851,006

City of Newton Capital Financing Plan

	2023	2024	2025	2026	2027	2028	2029
Annual Debt Service Payments							
Total Debt Service	\$ 15,753,477	\$ 15,786,197	\$ 15,409,193	\$ 14,416,419	\$ 13,709,742	\$ 13,369,716	\$ 11,470,152
North High School	\$ 8,661,307	\$ 8,627,107	\$ 8,570,489	\$ 8,300,576	\$ 8,144,601	\$ 7,984,032	\$ 6,227,526
Old Debt	\$ 1,263,713	\$ 1,219,088	\$ 1,174,463	\$ 624,088	\$ 98,919	\$ -	\$ -
New Turf	\$ 226,800	\$ 218,400	\$ -	\$ -	\$ -	\$ -	\$ -
Fire Stations	\$ 784,850	\$ 739,880	\$ 555,310	\$ 537,140	\$ 518,970	\$ 500,800	\$ 482,630
Other Capital - Total	\$ 4,816,807	\$ 4,981,722	\$ 5,108,931	\$ 4,954,616	\$ 4,947,253	\$ 4,884,885	\$ 4,759,997
Debt Service from Capital Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total General Fund Debt Service	\$ 15,753,477	\$ 15,786,197	\$ 15,409,193	\$ 14,416,419	\$ 13,709,742	\$ 13,369,716	\$ 11,470,152
Contribution to Capital Reserve	\$ 3,735,027	\$ 4,288,051	\$ 5,272,038	\$ 6,886,397	\$ 8,227,444	\$ 9,228,732	\$ 11,808,973
Capital Reserve Balance	\$ 17,790,325	\$ 22,078,376	\$ 27,350,413	\$ 34,236,810	\$ 42,464,254	\$ 51,692,986	\$ 63,501,958
Self Funded Debt Service							
Trash Toters							
Funded with trash savings							
NORESCO - Day Middle Energy Renovation	\$ 129,500	\$ 125,500	\$ 121,500	\$ 117,375	\$ 113,250	\$ 108,875	\$ 104,500
Funded with school energy savings							
Benccliffe Circle							
Funded with betterments							
GRAND TOTAL GENERAL FUND DEBT SERV	\$ 15,882,977	\$ 15,911,697	\$ 15,530,693	\$ 14,533,794	\$ 13,822,992	\$ 13,478,591	\$ 11,574,652

City of Newton Capital Financing Plan

2030 2031 2032 2033 2034 2035 2036

Annual Debt Service Payments

	\$	10,925,432	\$	10,877,762	\$	14,846,435	\$	10,687,052	\$	10,544,012	\$	10,526,492	\$	10,388,972
Total Debt Service														
North High School	\$	5,700,976	\$	5,688,976	\$	5,676,976	\$	5,664,976	\$	5,652,976	\$	5,640,976	\$	5,628,976
Old Debt	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
New Turf	\$	-	\$	-	\$	4,118,038	\$	-	\$	-	\$	-	\$	-
Fire Stations	\$	464,460	\$	428,790	\$	291,425	\$	262,080	\$	131,040	\$	125,520	\$	-
Other Capital - Total	\$	4,759,997	\$	4,759,997	\$	4,759,997	\$	4,759,997	\$	4,759,997	\$	4,759,997	\$	4,759,997
Debt Service from Capital Reserve	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Total General Fund Debt Service	\$	10,925,432	\$	10,877,762	\$	14,846,435	\$	10,687,052	\$	10,544,012	\$	10,526,492	\$	10,388,972

Contribution to Capital Reserve

\$ 13,053,040 \$ 13,820,072 \$ 14,711,364 \$ 15,534,203 \$ 16,473,777 \$ 17,331,758 \$ 18,308,770

Capital Reserve Balance

\$ 76,554,998 \$ 90,375,070 \$ 105,086,434 \$ 120,620,637 \$ 137,094,414 \$ 154,426,172 \$ 172,734,942

Self Funded Debt Service
 Trash Toters
 Funded with trash savings
 NORESCO - Day Middle Energy Renovation
 Funded with school energy savings
 Benclyffe Circle
 Funded with betterments

GRAND TOTAL GENERAL FUND DEBT SERV \$ 10,925,432 \$ 10,877,762 \$ 14,846,435 \$ 10,687,052 \$ 10,544,012 \$ 10,526,492 \$ 10,388,972

City of Newton Capital Financing Plan

	2037	2038	2039	2040	2041
Annual Debt Service Payments					
Total Debt Service	\$ 9,782,972	\$ 9,782,972	\$ 9,782,972	\$ 5,182,831	\$ 4,759,997
North High School	\$ 5,022,976	\$ 5,022,976	\$ 5,022,976	\$ 422,834	\$ -
Old Debt	-	-	-	-	-
New Turf	-	-	-	-	-
Fire Stations	-	-	-	-	-
Other Capital - Total	\$ 4,759,997	\$ 4,759,997	\$ 4,759,997	\$ 4,759,997	\$ 4,759,997
Debt Service from Capital Reserve	\$ -	\$ -	\$ -	\$ -	\$ -
Total General Fund Debt Service	\$ 9,782,972	\$ 9,782,972	\$ 9,782,972	\$ 5,182,831	\$ 4,759,997
Contribution to Capital Reserve	\$ 19,800,525	\$ 20,807,684	\$ 21,732,998	\$ 27,607,419	\$ 29,009,327
Capital Reserve Balance	\$ 192,535,467	\$ 213,343,151	\$ 235,076,149	\$ 262,683,568	\$ 291,692,895
Self Funded Debt Service					
Trash Toters					
Funded with trash savings					
NORESCO - Day Middle Energy Renovation					
Funded with school energy savings					
Benccliffe Circle					
Funded with betterments					
GRAND TOTAL GENERAL FUND DEBT SERV	\$ 9,782,972	\$ 9,782,972	\$ 9,782,972	\$ 5,182,831	\$ 4,759,997

City of Newton Capital Financing Plan

	2010	2011	2012	2013	2014	2015	2016
Annual Debt Service Payments							
Total Debt Service	\$ 14,150,227	\$ 15,878,270	\$ 16,346,601	\$ 16,430,991	\$ 16,611,465	\$ 16,458,158	\$ 16,669,105
North High School	\$ 8,270,025	\$ 9,116,071	\$ 9,775,515	\$ 9,689,234	\$ 9,601,484	\$ 9,519,834	\$ 9,454,671
Old Debt	\$ 4,011,829	\$ 3,927,857	\$ 3,282,185	\$ 2,779,897	\$ 2,689,858	\$ 2,055,238	\$ 1,996,153
South Fields	\$ 323,100	\$ 309,200	\$ 304,900	\$ 300,600	\$ 296,300	\$ 290,925	\$ 285,013
Modulars	\$ 428,888	\$ 157,733	\$ 153,440	\$ 149,146	\$ 144,853	\$ 140,560	\$ 136,266
Fire Stations	\$ 1,116,385	\$ 791,522	\$ 905,623	\$ 1,240,473	\$ 1,295,050	\$ 1,551,826	\$ 1,590,561
Other Capital - Total	\$ (5,117,624)	\$ 1,575,887	\$ 1,924,939	\$ 2,271,641	\$ 2,583,921	\$ 2,899,775	\$ 3,206,442
Debt Service from Capital Reserve	\$ 9,032,603	\$ 10,017,603	\$ (5,281,998)	\$ (4,252,388)	\$ (3,246,862)	\$ (1,830,555)	\$ (896,502)
Total General Fund Debt Service	\$ 4,125,658	\$ 66,539	\$ 11,064,603	\$ 12,178,603	\$ 13,364,603	\$ 14,627,603	\$ 15,972,603
Contribution to Capital Reserve	\$ 21,142,794	\$ 15,368,666	\$ 10,172,988	\$ 6,006,348	\$ 2,844,759	\$ 1,081,981	\$ 453,256
Debt Service and Reserve Contrib.	\$ 4,125,658	\$ 66,539	\$ 66,320	\$ 65,748	\$ 65,272	\$ 47,777	\$ 47,777
Capital Reserve Balance	\$ 21,142,794	\$ 15,368,666	\$ 10,172,988	\$ 6,006,348	\$ 2,844,759	\$ 1,081,981	\$ 453,256
Annual Bond Sales	\$ 26,678,000	\$ 4,538,400	\$ 3,700,000	\$ 350,000	\$ 3,700,000	\$ 350,000	\$ 3,700,000
North High School	\$ 3,951,400	\$ 4,538,400	\$ 3,700,000	\$ 350,000	\$ 3,700,000	\$ 350,000	\$ 3,700,000
Fire Stations	\$ 4,506,000	\$ 3,050,000	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000
Other Capital - Total	\$ 1,853,000	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000
Trash Toters	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000
Modulars	\$ 453,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

09 OCT -5 PM 5:00
CITY CLERK
NEWTON, MA. 02159

Newton Board of Aldermen

April 20, 2010

**A Resolution requesting the Retirement Board
not appropriate public funds to send its members
to a conference in Las Vegas.**

- Whereas, the City of Newton, like other cities and towns in the Commonwealth of Massachusetts, is facing tough financial choices in a difficult economic environment; and
- Whereas, Mayor Warren has eliminated out of state travel for all city department staff; and
- Whereas, Mayor Warren has appealed to the Retirement Board not to spend public funds to send members to the Conference in Las Vegas; and
- Whereas, the Retirement Board's recent negative investment performance will require the City of Newton to contribute an additional \$1.7 million in FY2010; and
- Whereas, spending of public funds in this manner undermines the public trust.

Now therefore be it resolved,

That the Board of Aldermen requests the Retirement Board not appropriate any public funds to send its members to the Las Vegas Conference.

Offered this 20th day of April by Aldermen Gentile, Baker, Blazar, Freedman, Fuller, Harney, Johnson, Merrill, Rice, and Shapiro.

Under suspension of the Rules
Resolution approved unanimously

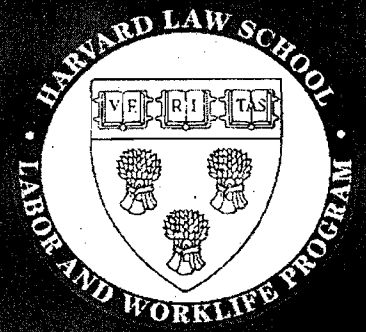
(SGD) David A. Olson, City Clerk

Program for Advanced Trustee Studies

July 26-28, 2010
Harvard Law School



TWO GREAT INSTITUTIONS...
ONE EXTRAORDINARY
EDUCATIONAL EXPERIENCE



The National Conference on Public Employee Retirement Systems (NCPERS), the nation's largest nonprofit public pension advocate, partnered with the Labor & Worklife Program at Harvard Law School, through its Pensions and Capital Stewardship Project, to establish the Program for Advanced Trustee Studies (PATS). PATS was developed with the aim of providing academically grounded and practical instruction and discussion of subjects important to pension fund trustees, including finance, law, and trustee ethics. Participants in the Program will have the opportunity to learn from Harvard University instructors and other nationally and internationally recognized experts on pension issues.

The inaugural edition of the Program was a resounding success, and PATS has since been expanded to three days to allow participants to fully explore and discuss the issues with their colleagues from across the nation.

The 2010 Program for Advanced Trustee Studies will focus on two areas of importance to public funds: **Fiduciary Duty** and **Pension Fund Risk Management**.

Preliminary Agenda

MONDAY, JULY 26, 2010

- 2:30 pm - 3:30 pm Registration
- 3:30 pm - 5:00 pm Introductory Session
- 6:00 pm - 8:30 pm Reception and Dinner

TUESDAY, JULY 27, 2010

Fiduciary Duty: A Review, a Comparison, and a Rethinking?

- 9:00 am - 10:15 am Fiduciary Duty:
Traditional Views
- 10:15 am - 10:30 am Break
- 10:30 am - 12:00 pm Fiduciary Duty:
Challenges to the
Traditional View
- 12:00 pm - 12:45 pm Lunch
- 12:45 pm - 2:15 pm Fiduciary Duty Plus:
Requirements Beyond
Those of Fiduciary
Duty as Such
- 2:15 pm - 2:30 pm Break
- 2:30 pm - 3:45 pm The Landscape of
Liability for Breaches of
Fiduciary Duty
- 3:45 pm - 4:00 pm Break
- 4:00 pm - 5:15 pm Applying What's Been
Learned

WEDNESDAY, JULY 28, 2010

Pension Fund Risk Management in the Post-Meltdown World

- 8:45 am - 10:15 am Methods and Tools for
Pension Fund Asset
Liability Management
- 10:15 am - 10:30 am Break
- 10:30 am - 12:00 pm Modern Portfolio
Theory (MPT)/MPT
Meets the Real World
- 12:00 pm - 12:45 pm Lunch
- 12:45 pm - 2:15 pm Making Asset
Allocation and
Investment Risk
Management Decisions:
A Case Study
- 2:15 pm - 3:45 pm Best Practices for
Pension Fund Risk
Management
- 3:45 pm - 4:00 pm Break
- 4:00 pm - 5:15 pm Applying What's Been
Learned

PROGRAM FOR ADVANCED TRUSTEE STUDIES

Application Instructions

The Program for Advanced Trustee Studies (PATS) is intended to provide a unique educational experience that allows trustees to gain the knowledge and skills necessary to effectively grapple with important issues facing public pension plans. It is designed to educate through dialogue and interaction among program faculty and trustee participants. PATS seeks motivated and experienced trustees who will actively participate in the educational sessions. We anticipate high demand for the 50 seats in the 2010 class. PATS will seek a diverse group of trustee participants. We hope to have trustees from varying sizes of public funds, geographic locations, and backgrounds.

To apply, please complete the following application. Answer all questions in as much detail as possible. Please use a separate sheet of paper if necessary. Applications will be evaluated based upon the quality and thoroughness of the responses. Completed applications must be received by NCPERS by 12:00pm EST on May 17, 2010.

Please mail your application to: NCPERS, 444 N. Capitol St., NW, Suite 630, Washington, DC 20001 or fax to (202) 624-1439. Acceptance notices will be mailed beginning the week of May 24, 2010.

COST TO ATTEND: \$550 per person

HOUSING: Housing has been arranged at The Charles Hotel near the Harvard campus. The rate per night will be \$189 for single and double rooms. Further reservation details will be sent to you upon acceptance into PATS.

PLEASE PRINT OR TYPE

GENERAL INFORMATION

Name _____
 Gender (optional) _____ Ethnicity (optional) _____ Age (optional) _____
 Preferred mailing address _____
 Phone number _____ Phone number (cell) _____
 Email address _____

PENSION FUND INFORMATION

Pension fund _____
 Total fund participants _____ Retirees _____ Active employees _____
 Total assets of pension fund (\$) _____
 Total number of pension fund trustees _____
 Total number of years on the pension fund _____
 Current position at pension fund _____
 List previous position(s) at pension fund _____
 List current committee assignment(s): _____
 Chair _____
 Vice-chair _____
 Other leadership position _____

SAVE FORM

PRINT FORM

List previous committee assignment(s): _____

Chair _____

Vice-chair _____

Other leadership position _____

EDUCATIONAL AND RELATED INFORMATION

List other pension organization(s) to which you or your pension fund belong _____

List educational program(s) or conference(s)

You attended in 2008 or 2009 _____

You plan to attend in 2010 _____

Union affiliation _____ Leadership position(s) _____

List work experience, beginning with current or most recent employment

Position	Employer	Dates
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

List educational experience, beginning with current or most recent schooling

School	Location (City, State)	Dates	Degree (if applicable)
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

List and/or describe any other experience that you think may be relevant.

Use a separate sheet of paper if necessary.

**Program for Advanced Trustee Studies (PATS)
July 26th – 28th 2010
Boston, MA**

PRELIMINARY AGENDA

Monday, July 26, 2010

2:30 pm – 3:30 pm	Registration
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2:30 pm – 3:45 pm	The Landscape of Liability for Breaches of Fiduciary Duty
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10:30 am – 12:00 pm	Modern Portfolio Theory (MPT)/MPT Meets the Real World
12:00 pm – 12:45 pm	Lunch

12:45 pm – 2:15 pm	Making Asset Allocation and Investment Risk Management Decisions: A Case Study
2:15 pm – 3:45 pm	Best Practices for Pension Fund Risk Management
3:45 pm – 4:00 pm	Break
4:00 pm – 5:15 pm	Applying What's Been Learned

MACRS REGISTRATION REMINDERS

PLEASE NOTE THE CHANGES IN HOTEL ROOM
CANCELTATION POLICY

THERE WILL BE A FEE FOR CONFERENCE CANCELTATION

THERE ARE 4 REGISTRATION FORMS

HOTEL

PRE-CONFERENCE

ANNUAL MEETING AND CONFERENCE

A FORM WITH A DISCOUNT FOR ATTENDING BOTH

COPY THE REGISTRATION FORM IF MORE SPACE IS
NEEDED

QUESTIONS AND COMMENTS ARE WELCOME @
kjr228@aol.com or 413 246 9238

KEVIN REGAN CONFERENCE PLANNER

DRAFT

**MACRS 2010 COMPREHENSIVE TRAINING PROGRAM
FOR BOARD MEMBERS AND STAFF
AGENDA**

SATURDAY – JUNE 5, 2010

8: 30 a.m. – 10:30 a.m.

**REGISTRATION
(Orleans)**

FIRST SESSION (Grand Ballroom 1)

10:30 a.m. – 10:45 a.m.

Welcome and Introduction

**Dennis Devine, President MACRS
Richard Heidlage, Esq., Acting Chief Administrative Magistrate, Division of
Administrative Law Appeals, Chair**

**10:45 a.m. – 11:30 a.m. GENERAL OVERVIEW OF DUTIES,
RESPONSIBILITIES AND LIABILITIES AS A BOARD/STAFF MEMBER IN
ADMINISTERING A CHAPTER 32 RETIREMENT PLAN:**

11:30 a.m. – 11:45 a.m. BREAK (Drinks and Snacks provided in back of the room)

11:45 a.m. 12:30 p.m. MONTHLY MEETINGS AND RECORDS

**12:30p.m. – 1:00 p.m. SUPPLEMENTARY REGULATIONS – WHAT THEY
ARE, WHICH ONES SHOULD YOU HAVE AND HOW DO YOU ADOPT THEM**

**1:00 p.m. – 1:45 p.m. LUNCH (Box lunches will be provided; participants may
continue eating during the afternoon sessions.)**

**1:45 p.m. – 2:30 p.m. MEMBERSHIP IN THE SYSTEM: PART-TIME,
TEMPORARY, INDEPENDENT CONTRACTOR?**

2:30 p.m. – 3:00 p.m. CREDITABLE SERVICE: PART-TIME AND BUY-BACKS

3:00 p.m. – 3:15 p.m. BREAK (Drinks and Snacks provided in back of the room)

3:15 p.m. – 3:45 p.m. REGULAR COMPENSATION ISSUES

3:45 p.m. – 4:15 p.m. BENEFICIARIES

4:15 p.m.– 4:45 p.m. FORFEITURES

PRELIMINARY AGENDA SUBJECT TO CHANGE

MACRS 2010 ANNUAL MEETING AND CONFERENCE - JUNE 6-9 2010

AGENDA

SUNDAY, JUNE 6

3:00 p.m. - 5:00 p.m.: REGISTRATION (Centerville Room)

Name Tags must be worn at all times

Exhibitors' Booths will be available Monday, at the coffee break, through Tuesday lunchtime.

5:30 p.m. - 7:00 p.m.

WELCOME RECEPTION (Cabana Tent)

Sponsored by MACRS

DINNER ON YOUR OWN

MONDAY, JUNE 7

7:00 a.m. - 8:30 a.m. GROUP BREAKFAST (BASS RIVER)

8:00 a.m. - 3:00 p.m. REGISTRATION

8:45 a.m. - 9:15 a.m. FIRST GENERAL SESSION (Grand Ballroom 1)

Moderator: Denis Devine, President MACRS

Presentation of Colors - Hyannis Fire Department

Pledge of Allegiance

President's Welcome

Appointment of Election Committee

9:15 a.m. - 10:15 a.m. Keynote Speaker David Sowerby CFA Loomis Sayles

10:15 a.m.-10:45 a.m. BREAK (EXHIBITS OPEN)

10:45 a.m. - 12:00 p.m.: LEGISLATIVE UPDATE

Moderator: Ralph White MACRS LEGISLATIVE COMMITTEE.

Panel: J. Coleman Walsh,

Shawn Duhamel MACRS Executive Board

12:00 p.m. - 1:00 p.m.: LUNCH BREAK (BUFFET)

1:00 p.m. - 1:30 p.m. General Session for Delegates (Ballroom)

Moderator: Denis Devine, President MACRS

Nominations for President, Vice President and Executive Board

MACRS BUSINESS MEETING

1:30p.m- 2:30 p.m. Investment Panel TBA

3:00 p.m-5:00 p.m.

Moderator: Denis Devine, President MACRS STATE ETHICS PRESENTATION

David Giannotti

NETWORKING ACTIVITIES DINNER ON YOUR OWN

TUESDAY, JUNE

7:00 a.m. - 8:15 a.m. GROUP BREAKFAST (Bass River)

8:30 a.m. - 10:30 a.m. REGISTRATION (Centerville)

9:00 a.m. - 11:00 a.m. POLLS OPEN: ELECTION OF EXECUTIVE BOARD MEMBERS (Orleans)

SECOND GENERAL SESSION (Ballroom) Moderator: Chet Riley, Vice President MACRS

9:00 - 10:00 a.m. HEALTH INSURANCE PANEL



Resort And
Conference
Center
At Hyannis

#108-10

MACRS 2010 SPRING CONFERENCE HOTEL RESERVATION FORM

Friday, June 4, 2010 – Wednesday, June 9, 2010

Please reserve the following accommodations.

_____ \$150.00 PER GUESTROOM, PER NIGHT, SINGLE OCCUPANCY, PLUS 9.7% STATE TAX

_____ \$150.00 PER GUESTROOM, PER NIGHT, DOUBLE OCCUPANCY, PLUS 9.7% STATE TAX

_____ \$20.00 PER ADDITIONAL PERSON (UP TO 2 ADDITIONAL PEOPLE) PLUS 9.7% STATE TAX

Note: All taxes are subject to increase

A BLOCK OF GUESTROOMS IS BEING HELD AT THE ABOVE RATE UNTIL MAY 4, 2010. PLEASE NOTE THAT HISTORY SHOWS THAT ROOMS SELL OUT PRIOR TO THIS DATE. ROOMS ARE FIRST COME, FIRST SERVE AND WE ENTER IN RESERVATION FORMS IN THE ORDER WE RECEIVE THEM. YOU ARE ENCOURAGED TO MAKE YOUR RESERVATIONS EARLY TO ENSURE CONFERENCE RATE AND AVAILABILITY. ONCE THE RESORT AND CONFERENCE CENTER AT HYANNIS IS SOLD OUT, RESERVATION FORMS WILL BE FORWARDED TO AN OVERFLOW HOTEL. YOU WILL THEN RECEIVE A CONFIRMATION LETTER FROM THAT HOTEL.

NAME(S) _____

ARRIVAL DATE: _____ DEPARTURE DATE: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP CODE: _____

DAY TELEPHONE: _____ FAX: _____

E-MAIL ADDRESS (REQUIRED): _____

CREDIT CARD TYPE: _____ CREDIT CARD NUMBER: _____

EXPIRATION DATE: _____ SIGNATURE: _____

RESERVATION POLICIES

Deposit: We require a \$164.55 deposit per room at the time the reservation is made. If the deposit is by credit card, we will charge the deposit in advance when the Reservation Form is received.

Cancellation Policy: If an individual reservation is cancelled (14) fourteen days or more prior to arrival the deposit is refunded less a \$15.00 service charge. If an individual reservation is cancelled (13) thirteen days or less or the guest does not arrive on the specified dates, the reservation is cancelled for all nights and the deposit will be forfeited. The remaining nights on the reservation will also be cancelled and is not automatically reinstated.

- PLEASE BE ADVISED THAT IF YOU DO NOT SHOW UP FOR YOUR RESERVATION, THE RESERVATION DROPS OUT OF THE SYSTEM AND IS NOT AUTOMATICALLY REINSTATED.

CHECK-IN TIME AFTER 3:00 PM - CHECK-OUT TIME BY 11:00 AM

Please Fax or Mail completed form to our Reservations Department at 508-778-6039 (1 form per room)
Mail: Resort & Conference Center at Hyannis, 35 Scudder Avenue, Hyannis, MA 02601.

This form must be received prior to May 4, 2010.

Phone reservations will not be accepted. We do not accept purchase orders.

Any changes to your reservation must be made by submitting a revised form.

Please note change and mark form as "REVISED" to avoid duplicate reservations.

**MASSACHUSETTS ASSOCIATION of CONTRIBUTORY
RETIREMENT SYSTEMS, present...**

**THE MACRS PUBLIC PENSION TRUSTEES WORKSHOP
JUNE 5th and JUNE 6th, 2010
FOUR POINTS SHERATON HYANNIS RESORT
(Formerly the "Sheraton Hyannis Resort")
WEST END CIRCLE, Hyannis, MA 02601**

WORKSHOP REGISTRATION FORM

**RETIREMENT BOARD _____
ADDRESS _____**

ATTENDEE NAME	DELEGATE	STAFF

WORKSHOP ONLY REGISTRATION FEE \$250.00...ON SITE \$300.00

PLEASE REGISTER EARLY TO HELP OUR PLANNING

MAKE CHECK PAYABLE TO MACRS AND RETURN THIS FORM TO:

MACRS, PO BOX 75, NORTH WEYMOUTH, MA 02191

ACCOMODATIONS.....Registrations must be made directly with the Sheraton Hyannis Resort for the Saturday June 5th Trustee's Workshop and the Annual Meeting June 6th to June 9th, 2010 on the form in packet.

For additional information contact:

**Kevin Regan 617-367-0042, or 413-246-9238 or FAX 413-562-0308 or
E-Mail kjr228@aol.com**

Fred McCray 617-773-5924 or FAX 617-472-5424

2010 ANNUAL MEETING RETIREMENT BOARD REGISTRATION
FOUR POINTS SHERATON HYANNIS RESORT
West End Circle, Hyannis, MA 02601

Sunday June 6th 2010 through Wednesday June 9th, 2010

Please type or clearly print all names for accurate name tags.

Retirement Board _____

Address _____

Telephone _____ **FAX** _____

Name (As it will appear on the badge)	Delegate	Staff	Spouse

Board members and staff members per person \$270.00 on site \$320.00
Spouse's registration \$35.00

Date _____ **Check #** _____ **Amount \$** _____

Return completed form with check in envelope provided to:
MACRS , P. O. Box 75, North Weymouth, MA 02191

Please note the MACRS registration fee includes all meals. Breakfast Mon. Tues. and Wed, Lunch Mon and Tues.. and the Banquet on Tuesday evening.

Tel. 617-773-5924

FAX 617-472-5424

**MASSACHUSETTS ASSOCIATION of CONTRIBUTORY
RETIREMENT SYSTEMS, present...**

**THE MACRS PUBLIC PENSION TRUSTEES WORKSHOP
JUNE 5th and JUNE 6th, 2010/ AND Conference JUNE 6th -JUNE 9th
FOUR POINTS SHERATON HYANNIS RESORT
(Formerly the "Sheraton Hyannis Resort")
WEST END CIRCLE, Hyannis, MA 02601**

WORKSHOP and CONFERENCE REGISTRATION FORM

**RETIREMENT BOARD _____
ADDRESS _____**

ATTENDEE NAME	DELEGATE	STAFF

**WORKSHOP & CONFERENCE REGISTRATION FEE \$450.00
...ON SITE \$520.00**

PLEASE REGISTER EARLY TO HELP OUR PLANNING

MAKE CHECK PAYABLE TO MACRS AND RETURN THIS FORM TO:

MACRS, PO BOX 75, NORTH WEYMOUTH, MA 02191

ACCOMODATIONS.....Registrations must be made directly with the Sheraton Hyannis Resort for the Saturday June 5th Trustee's Workshop and the Annual Meeting June 6th to June 9th, 2010 on the form in packet.

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E-Mail kjr228@aol.com**

Fred McCray 617-773-5924 or FAX 617-472-5424



SETTI D. WARREN
MAYOR

City of Newton, Massachusetts
Office of the Mayor

Telephone
(617) 796-1100

Telefax
(617) 796-1113

TDD
(617) 796-1089

E-mail
swarren@newtonma.gov

April 2, 2010

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


Ladies and Gentlemen:

I write to submit documentation in support of Docket Item #51-10 "... requesting adoption of a policy to purchase only fuel-efficient vehicles for municipal use...". The attached policy entitled "Energy Management and Procurement of Fuel Efficient Vehicles" is one section from a more encompassing *City Vehicle Use and Procurement Policy*.

As part of the City's efforts to become one of the first communities in Massachusetts to become a Department of Energy Resources (DOER) Green Community, I would be happy to discuss this policy with the Honorable Board at your convenience.

Thank you for your consideration of this matter.

Very truly yours,


Robert R. Rooney
Chief Operating Officer

Section D. Energy Management and Procurement of Fuel Efficient Vehicles

I. DEFINITIONS

Combined city and highway MPG (EPA Combined fuel economy): Combined Fuel Economy means the fuel economy from driving a combination of 43% city and 57% highway miles and is calculated as follows: $=1 / [(0.43/\text{city MPG}) + (.57/\text{highway MPG})]$

Drive System: The manner in which mechanical power is directly transmitted from the drive shaft to the wheels. The following codes are used in the drive field:

AWD = All Wheel Drive: four-wheel drive automatically controlled by the vehicle powertrain system.

4WD = 4 Wheel Drive: driver selectable four-wheel drive with 2 wheel drive option.

2WD = 2 wheel drive, either from the front or rear of the vehicle.

Heavy-duty truck: A vehicle with a manufacturer's gross vehicle weight rating (GVWR) of more than 8,500 pounds.

Exempt Vehicles: Those vehicles 1-ton or greater, vans, or sedans required to have minimum performance requirements based on the security/safety functions within the City.

Non-exempt Vehicles: General purpose vehicles used for daily administration of the City which typically include pick-up trucks or smaller vehicles and not required for emergency use.

II. POLICY STATEMENT

The City's goal is to reduce to the maximum extent possible, the consumption of fuel within the existing fleet and purchase fuel efficient vehicles wherever practicable to further reduce energy needs within the City.

III. PURPOSE

To establish an policy for management of energy consumption through a fleet replacement strategy and guidelines for the purchase of fuel efficient vehicles for municipal / school use whenever such vehicles are commercially available and practical.

IV. APPLICABILITY

This policy applies to all divisions and departments of the City of Newton.

V. GUIDELINES

City vehicles will conform to any and all state and federal air emission standards.

Use of non-exempt vehicles will be cognizant of best practices for efficient and effective operation to include maximizing occupancy in vehicles travelling to a common destination, not leaving idling vehicles unattended for more than one minute, or stationary waiting in an idling vehicle for more than three minutes.

All departments and divisions shall purchase only fuel efficient vehicles for general municipal use whenever such vehicles are commercially available and practicable.

The City of Newton will maintain an annual vehicle inventory for non-exempt vehicles and a plan to replace existing vehicles with those that meet the fuel efficiency ratings below.

Based on the most recently published US Environmental Protection Agency data on fuel efficient vehicles, vehicles are to have a combined city and highway MPG no less than the following:

2 wheel drive car:	29 MPG
4 wheel drive car:	24 MPG
2 wheel drive small pick-up truck:	29 MPG
4 wheel drive small pick-up truck:	18 MPG
2 wheel drive standard pick-up truck:	17 MPG
4 wheel drive standard pick-up truck:	16 MPG

Note:

The latest fuel efficiency MPG ratings are available through the Massachusetts Department of Energy Resources Green Communities Program.

Exemptions

- a. Heavy-duty vehicles such as fire trucks, ambulances, vans, and public works trucks are exempt from this criterion.
- b. Police cruisers are exempt from this criterion.

Inventory

The following information shall be included in a vehicle inventory of non-exempt vehicles and said list shall be updated on an annual basis:

- a. Model; Make; Model year; Drive system; Weight Class; MPG
- b. Year purchased; Annual miles driven; Total Fuel Consumption; Vehicle Function

Note:

Departments/Divisions may use EPA combined MPG estimates or actual combined MPG.

VI. FUEL EFFICIENT VEHICLE REPLACEMENT PLAN

The City of Newton shall develop a plan to replace all non-exempt vehicles with fuel efficient vehicles as defined above. Said plan shall outline the process by which the City of Newton will replace vehicles, set goals for when the existing fleet will be replaced and review said plan on an annual basis.

VII. QUESTIONS/ENFORCEMENT

All inquiries should be directed to the department/division responsible for fleet management or the Office of the Mayor, who is responsible for fleet procurement.

#51-10

DRAFT RESOLUTION for Consideration by the Programs & Services Committee

RE DOCKET ITEM # 51-10

ALD. CROSSLEY, HESS-MAHAN & LINSKY requesting adoption of a policy to purchase only fuel-efficient vehicles for municipal use whenever such vehicles are commercially available and practicable, in order to satisfy the requirements to qualify as a Green Community under MGL Chapter 25A, §10(c). [02/09/10 @ 7:25 PM]

That - in order to fulfill the criteria to merit MA DOER designation of the City of Newton as a "Green Community", and therefore so as to make the City of Newton eligible for DOER funding that may be used for needed capital investments which can further help to reduce energy use and emissions, ...

The Board of Aldermen of the City of Newton supports and requests that the administration **establish and implement a vehicle purchasing policy** that requires vehicle replacements, when needed, be in conformance to the performance standards (in mpg) as per the Guidelines established by the DOER, and therefore request that the administration implement and maintain these measures.

And further, that in order to maintain Green Communities status, and therefore to retain eligibility for DOER funding available each year under the terms of the Green Communities Act, the Board of Aldermen requests that the City of Newton administration comply with DOER annual reporting and review requirements.