

CITY OF NEWTON

IN BOARD OF ALDERMEN

FINANCE COMMITTEE REPORT

MONDAY, APRIL 12, 2010

Present: Ald. Gentile (Chairman), Ciccone, Linsky, Salvucci, Rice, Danberg, Fuller and Freedman

Also present: Ald. Baker, Crossley, Lennon, and Merrill

City staff present: David Turocy (Deputy Commissioner of Public Works), Ryan Ferrara (Budget and Finance Officer; Public Works Department), Maurya Sullivan (Telecommunications Planner), Carol Ober (Newton South High School), Jennifer Price (Newton North High School Principal), Joel Stenbridge (Newton South High School Principal), Nancy Grissom (Chair of the Community Preservation Committee), Joel Feinberg (Member of the Community Preservation Committee), Amy Yuhasz (Community Development Manager), Trish Guditz (Housing Development Coordinator), Alice Ingerson (Community Preservation Planner), Robert Rooney (Chief Operating Officer), and David Wilkinson (Comptroller)

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

ACTION: **APPROVED SUBJECT TO SECOND CALL 4-0-4 (Freedman, Fuller, Linsky, Rice abstaining)**

NOTE: The Deputy Commissioner of Public Works David Turocy explained that the item is a request to amend the board order for a bond authorization for \$500,000 for various sewer system improvements. The Public Facilities Committee approved the request unanimously on April 7, 2010. Board Order #399-09 that was approved by the Board of Aldermen contained individual appropriations for each project, which necessitates the request for this amendment. The bids for sewer construction projects on Oakdale Road, Farina Road, and Irving Street came in much lower than estimated. The Board Order designated \$125,000 for Oakdale Road, \$125,000 for Farina Road and \$135,000 for Irving Road and the actual bid costs are \$68,000 for Oakdale Road, \$68,000 for Farina Road, and \$68,053 for Irving Road. The sewer design costs for Old Farm Road are higher than expected. The original estimate was \$115,000, as reflected in Board Order #399-09; however, the design cost is actually \$170,500 due to the scale of the project, as it will include drain repairs, a

water system, a sewer system and road reconstruction. The Public Works Department would like to transfer the savings from the sewer construction projects to the sewer design for Old Farm Road, as shown in the above docket item.

Ald Salvucci questioned why the City's Engineering Division could not do the design work in-house. Mr. Turocy responded that the design of the proposed work on Old Farm is labor intensive and the design engineers are preparing for the spring construction season. If they were to do the design for Old Farm Road, it would delay plans for other projects, which would hinder the start of the spring construction projects. Ald. Linsky asked if design projects are sent out to bid. Mr. Turocy stated that it is not generally the practice of the Public Works Department to send design work out to bid. The City has a number of companies that it works with and it chooses one of the available companies to provide the design. Ald. Linsky thought that the City might get prices that are more favorable for designs if it opted to bid design projects. Several Committee members agreed with Ald. Linsky. The Chairman explained that it is not Mr. Turocy who should respond to the inquiry, but the Commissioner of Public Works. Ald. Gentile also stated that he would support the request, as he is aware that there is a real flooding issue in the Old Farm Road area and residents need some relief. Ald. Freedman pointed out that the numbers for the projects were incorrect in the e-mail that was attached to the agenda. The new costs for the Oakdale, Farina and Irving construction projects is \$204,053 not \$168,053 as stated in the e-mail. The design costs for the Old Farm Road project is \$170,500. The total cost of the four projects is \$374,553. The remaining \$125,447 left from the bonded amount of \$500,000 will be unused as contingency and any used money would be turned back.

Ald. Salvucci moved approval of the item subject to second call in order to get a response from the Commissioner of Public Works regarding the possibility of bidding the design work. The Committee voted in favor of the motion by a vote of four in favor and four abstentions.

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

ACTION: **APPROVED 8-0**

NOTE: David Turocy presented the request for supplemental funding to cover FY'10 wages until the end of the fiscal year for members of the Newton Municipal Employees Association (NMEA) as part of a contract agreement reached in June 2009. The Public Facilities Committee approved the item on April 7, 2010; however, the Public Facilities Committee requested that the Finance Committee investigate why the additional money was not provided in the FY'10 budget. Mr. Turocy explained that the contract agreement with NMEA was not reached until June of 2009, after the FY'10 budget was printed. The contract agreement was for the years 2006 to 2009, which required retroactive payments to NMEA members. When the FY 2010 budget was submitted, the

anticipated adjusted pay raises were budgeted for FY' 10. The funds required for the retroactive payments totaled approximately \$720,000 and the Executive Department funded \$120,000 of the retroactive monies. It was the hope of the Executive Department that the Department of Public Works would be able to absorb the additional \$600,000 through position vacancies and other savings. The Public Works Department was able to absorb \$400,000 of the \$600,000 but it could not absorb the requested \$200,000. The Public Works Department funded the retroactive payments through the salary accounts within the department creating a shortfall in the salary accounts. Therefore, the department does not have enough money in its salary accounts to pay its employees to the end of the fiscal year.

Ald. Lennon asked if the management staff in the Public Works Department were aware of the shortfall in the salary accounts of the Public Works Department. He is concerned that the department is not looking at their budget on a monthly or quarterly basis and wants to understand what financial controls are in place. Department of Public Works Chief of Budget and Finance Ryan Ferrara stated that he, the Deputy Commissioner and the Commissioner were aware of the obligation but wanted to try to absorb as much of the needed funds before requesting supplemental funds. By waiting, the Department was able to come to the Board with a firmer number after determining how much money could be recaptured before the end of FY' 10. Mr. Ferrara needed the financial information on the third-party work crew, which is funded through Chapter 90 funds, CDBG funds and betterments paid for by property owners and not the City budget, but often generate additional funds that can be used by the Department of Public Works.

Ald. Fuller pointed out that there would be \$168,000 in Wage Reserve if the Board of Aldermen approves this docket item. The back up information that was attached to the agenda indicates that the Utilities and Storm-water Division budget may have a shortfall associated with the NMEA settlement. Mr. Ferrara stated that it is likely that the shortfall in the Utilities Division will be absorbed through vacancies. However, there is some concern about funding overtime related to the recent storms. He is hoping that the City will receive Federal Emergency Management Agency (FEMA) and private insurance reimbursement for the overtime. Ald. Gentile pointed out that it may not be possible to receive the reimbursement quickly enough, which would then require the Department to request additional funds. Comptroller David Wilkinson stated that the City would collect on the private insurance first and then FEMA. The City may need to fund the overtime through Free Cash.

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

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

ACTION: APPROVED 8-0

NOTE: Maurya Sullivan presented the request for \$617,995.52 from Cable Reserve funds to purchase equipment for television and media production facilities at Newton North High School and Newton South High School. The Programs and Services Committee approved the request on April 7, 2010. The backup provided with the agenda included a detailed list of the equipment to be purchased. The request also includes funding for a media program aide, who will divide time between the two schools as follows: $\frac{3}{4}$ of the time at Newton North High School and $\frac{1}{4}$ of the time at Newton South High School.

The Cable Reserve Accounts contain approximately \$825,000. The City receives money from the three cable companies doing business in the City of Newton, as part of their contract agreements. Verizon also provides the City with an annual capital payment of approximately \$65,000. These funds can only be used for very specific cable related projects and the capital funds from Verizon must be spent on capital items. The cable contracts are for five-years and are renegotiated when they are expired. The City will receive additional funds when the contracts are renegotiated; however, the City must show that they are using the funds and need additional funds when negotiating the contracts. It is necessary for the City spend down the accounts before entering into negotiations.

Jennifer Price, Principal of Newton North High School, explained the disparity between the funding for Newton North High School and Newton South High School. The Newton North High School program will soon be a Chapter 74 Citywide Technical and Vocational Program open to all students at either high school. The program at Newton North provides a niche for students and is an asset in helping a set of students become more a part of the school. The reinvestment and expansion of the media production facilities coordinates perfectly with the opening of the new Newton North High School. The new school provides opportunities for the media students to broadcast games, theater programs, and special events at the school. Ms. Price also pointed out that other communities receive the same types of funds from cable providers and use them for the same purpose. Carol Ober of the Newton South media lab spoke on behalf of the Newton South program and expressed her pleasure that the equipment at Newton South would be updated. It is currently very difficult to run the media program at Newton South as the equipment is outdated and often does not work. It is her expectation that the Newton South media program will grow over the next few years. Joel Stembridge, Principal of Newton South High School, was detained at another meeting and arrived late but wanted his support of the program noted.

Committee members inquired about the funding for the aide position in future years. Ms. Price responded that if the cable money were no longer available, the schools would come up with a plan to fund the position, as it is a vital part of the program. Ald. Danberg asked if there was a possibility that students from the high schools could work with NewTV on their backlog of editing projects. Both schools currently work with NewTV and the principals expect that the relationship with NewTV will continue. Ms. Price anticipates that the students involved in the media program will work with students from the City's middle and elementary schools.

The Committee discussed the possibility of web or pod casting the school games and other events at the school with the School Department representatives. Ms. Sullivan reminded the Committee that the funds must be spent on cable broadcast related items. There is also concern associated with the legal side of broadcasting students and the City Solicitor would need to be consulted. Ms. Price

stated that it is something that the schools are beginning to look at but are not ready to do at this juncture. Ald. Gentile asked what the security plan is for the media equipment, as it is expensive. Ms. Price stated that the schools will barcode the equipment. She pointed out that the security system in the new Newton North is very different. It is possible to shut down parts of the new school and there is an advanced keying structure that addresses access to the media lab and studio. In addition, the School Department is in the process of discussing security measures with the community, such as the thoughtful use of cameras as a security method.

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

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
ACTION: APPROVED AS AMENDED 4-0-4 @ 360,000 (Freedman, Fuller, Gentile, Linsky abstaining)

NOTE: Nancy Grissom, Chair of the Committee on Community Preservation, and Joel Feinberg, Member of the Committee on Community Preservation, presented the item to the Committee. It is a request for Community Preservation Funds to rehabilitate an existing two-family home on Commonwealth Avenue to provide affordable rental property for homeless veterans with families. The Community Preservation Committee recommended approval of the request as they strongly support the use of existing housing. The Citizens for Affordable Housing in Newton Development Organization (CAN-DO) has purchased the house for \$666,630 through a mortgage from the Village Bank and plans to use a Community Development Block Grant, a grant from the Federal Home Loan Bank and a grant from Charlesbank Homes to pay the mortgage down to \$175,000.

The two bedroom and three to four bedroom units would be primarily for homeless veterans with families that utilize a Veterans Affairs (VA) Medical Center health care program. The VA works with housing groups in communities to provide housing through Housing and Urban Development (HUD) Veterans Affairs Supportive Housing Program (VASH) vouchers. The Newton Housing Authority does not participate in VASH voucher program; therefore, the homeless veterans would need to receive the vouchers from another community that does participate.

Mr. Feinberg commented on the questions regarding the financial health of CAN-DO. CAN-DO exists from project to project, as is the norm for non-profit housing organizations trying to create affordable housing in expensive communities. The City of Newton forgave CAN-DO a total of \$529,000 in loans for seven affordable units in 2009. The funds for the loans are generated through federal programs funded by federal taxes. The funds are meant to be spent on these types of

projects. Mr. Feinberg also pointed out that this project is a rental property project and if it is not possible to continue the affordable housing program, the property could be sold.

Ald. Fuller asked for clarification on where funds for the loans came from, who has the authority to forgive the loans and if the Board of Aldermen has any role in the loan forgiveness. Amy Yushasz, Community Development Manager, explained that the loan money is provided by the Community Development Grant Fund and is specifically used to provide affordable housing for people with low to moderate income. When CAN-DO requested the loan forgiveness, the Planning Department looked at how CAN-DO was running its program when the loans were taken versus post 2005. CAN-DO has made improvements in their management. The Planning Department also considered how the City could support a small non-profit organization providing affordable housing. There are no other such programs within the City that generate affordable housing except for large comprehensive permit projects. The Planning Department gave the Planning and Development Board different alternatives regarding CAN-DO. The Planning and Development Board Made a recommendation to the Mayor that the loans be forgiven with the caveat that CAN-DO provide quarterly financial reports to the Planning and Development Board. The Mayor decided to forgive the loans. The Board of Aldermen has no role in the forgiveness of these types of loans.

Ald. Gentile stated that it seems that at least one of the Planning and Development Board members was very critical of the last financial reports submitted by CAN-DO. Trish Guditzi, Housing Development Coordinator, explained that the member has since met with CAN-DO to inform them of the Planning and Development Board's expectations of the information that should be contained in the financial reports. The Chair of the Planning and Development Board is working with CAN-DO and it is hoped that CAN-DO will provide the additional requested information. Ald. Gentile inquired if the City's Community Development Program was audited recently. The program has been audited recently and there were no finding contained in the audit. Community Development also notified HUD regarding the forgiveness of the loans.

Ald. Salvucci requested information regarding how the Community Preservation Act funds would be used, whether the property was appraised, and the assessed value of the property. The funds will be used for construction, project management, and overhead. An appraisal of the property was done and it was appraised at \$660,300. The property was assessed at \$709,700.

Ald. Gentile was perplexed that the Newton Housing Authority did not participate in the VASH voucher program. He plans to speak with the Director of the Housing Authority regarding the reasoning behind not entering the program. Ald. Gentile feels that it would be a better project if it going to be administered through a City entity, as it would be easier for veterans with Newton connections to obtain the vouchers.

Ald. Fuller was concerned that the CAN-DO financial information provided with the Finance Committee Agenda displayed net losses for both 2008 and 2009 and that the losses were worse in 2009. Ms. Josephine McNeil, Director of CAN-DO explained that the 2009 losses could be partially attributed to the abandonment of the Coyne Road project. When the project was abandoned it was determined that CAN-DO needed to sell the property to pay off loans from Community Development Program. Ald. Fuller asked for clarification of developer fee versus

management fee. Ms. McNeil responded that the management fee is associated with property management over the long term. The developer fee is associated with the initial development of the property into affordable housing. CAN-DO has historically taken a smaller developer fee than usual but it has been recommended to CAN-DO that they take a larger developer fee to provide better financial health to the organization.

Ken Sinclair, CAN-DO Treasurer, reviewed the financial reports attached to the agenda. There is a significant amount of red ink associated with CAN-Do and in some sense a lot of debt. However, CAN-DO is operating and doing what it is supposed to do by buying property, developing property and selling or renting property with an affordability clause. CAN-DO is not intended to be a money generating entity. CAN-DO has lost a substantial amount of money requiring restructuring of the organization. CAN-DO is currently on a financially stable footing, although it is not a financially strong organization. The proposed project is a low risk project and entirely suitable for CAN-do's finances. In addition, Mr. Sinclair added that the Director and administrative positions at CAN-DO are historically funded through fundraising efforts.

Ald. Freedman was surprised that CAN-DO failed to cover its costs even with subsidies and rent. Ms. McNeil explained that CAN-DO will be in the black for 2010 with the forgiveness of the loans. CAN-DO often needs to provide unexpected upgrades and maintenance on specific buildings in order to keep it in compliance with property standards. In addition, CAN-DO does not set the rent for the properties, which is done by the Newton Housing Authority.

Ald. Freedman requested a projected pro forma for the Commonwealth Avenue project. The pro forma was previously provided and is attached to the report. Ald. Ciccone moved approval of the item, which carried by a vote of four in favor and four abstentions. The abstentions are related to the request for further information requested by Ald. Freedman and the outcome of Ald. Gentile's conversation with the Director of Newton Housing Authority. A letter submitted to the Committee from Michael Lepie is attached to the report.

NOTE: This item will need to be re-voted to capture a proposed amendment that increases the requested funds to \$375,000. The amendment was approved by the Committee on Community Preservation.

#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]

ACTION: **HELD 8-0**

NOTE: Comptroller David Wilkinson provided a brief summary of the current financial management guidelines adopted in January of 2008. The Financial Management Guidelines came about when Moodys Investor Services, which provides the City with its bond rating, inquired what progress the City had made in documenting its financial policies. In addition, the previous Chairman of the Finance Committee thought he had an understanding of how Free Cash and Reserve Accounts were used until there was a drastic change in use in 2007 resulting in a push to document a policy. The previous Mayor reviewed the guidelines and had several concerns

regarding the possible binding of the Executive Department. The Mayor edited the guidelines and they ended up being a vague document that does not address the use of reserve funds.

Ald. Gentile suggested that a small working group be formed to review the guidelines and address possible amendments. There are also a number of docket items proposing amendments to the guidelines that should be discussed by the working group. He has spoken with Ald. Fuller who is willing to Chair the working group. Ald. Fuller explained that the group will have a high workload and it will be an ongoing process. The work of the group will be very detailed and require a review of Moodys' standards for rating, capital asset management, and revenue funds and ultimately the group will need to determine what the financial policy should be for the City. Ald. Fuller would strongly support someone from the administration working with the group, as there needs to be agreement on the guidelines.

Chairman Gentile asked Committee members to contact Ald. Fuller if they are interested in participating in the working group. Ald. Fuller added that she would not be averse to having people join the group when they are available. Ald. Gentile suggested that the group meet at a set time in the morning in order to allow people to set a schedule.

Capital Financing Plan

The Chair requested a brief review of the Capital Financing Plan that was attached to the agenda. He wanted new members of the Committee to be aware that it existed but has not been updated. The plan is in place to deal with large bonded items, such as the high school project and fire station reconstructions.

Comptroller David Wilkinson reviewed the plan with the Committee. The previous administration planned to draw down the City's largest reserve, the capital stabilization fund, to pay for the new high school. Mr. Wilkinson pointed out that if there is no plan to replenish the Capital Stabilization Fund, it will cause problems with the City's bond rating. Mr. Wilkinson also informed the Committee that the previous administration project that the year-end capital reserve balances would be approximately \$21,000,000 and in reality, the amount is more like \$15,000,000. It was projected that there would be a \$4,000,000 contribution to the capital reserve, which is not possible. Without the contribution to capital reserve, the City will run out of capital stabilization funds in 2013. Mr. Wilkinson provided the Committee with the attached capital finance plan to actual analysis. The Mayor's Office is aware of the problem and will be going to address it. Ald. Gentile suspects that the Finance Committee will have some lengthy discussion regarding the capital financing plan and how the City will fund its capital projects.

#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]

ACTION: **HELD 8-0**

NOTE: The item was held and should be referred to the sub-committee on financial policy guidelines when the sub-committee is established, as discussed in the meeting note for Docket Item #78-10.

- #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]

ACTION: **HELD 8-0**

NOTE: The item was held and should be referred to the sub-committee on financial policy guidelines when the sub-committee is established, as discussed in the meeting note for Docket Item #78-10.

- #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]

ACTION: **APPROVED 7-0-1 (Ciccone abstaining)**

NOTE: A draft resolution was attached to the agenda for review by Committee members. The Retirement Board members were informed that the Finance Committee would be discussing the resolution. Ald. Gentile stated that he docketed the request for a resolution after learning that the two members of the Retirement Board still intended to attend a conference in Las Vegas after the Mayor requested that they do not attend. The Retirement Board approved the funds for the members to attend by a vote of three in favor and two opposed. City personnel have been asked not to attend out of state conferences in an effort to save money. Ald. Linsky heard that there are other alternative retirement conferences within Massachusetts that the members could attend. Comptroller David Wilkinson stated that the Massachusetts conference might not have the same information available. Ald. Gentile informed the Committee that should the members attend the out of state conference, he would ask that the Board of Aldermen support removal of the funds for out of state conferences from the next budget. Ald. Baker and Merrill both attended the meeting to voice their support of the resolution. Ald. Danberg moved approval, which carried by a vote of seven in favor and one abstention.

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

ACTION: APPROVED 7-0-1 (Freedman abstaining)

NOTE: Ald. Crossley and Chief Operating Officer Robert Rooney joined the Committee for discussion on this item. The item was approved unanimously by the Programs and Services Committee on April 7, 2010. The request relates to the adoption of a policy to purchase only fuel-efficient vehicles whenever they are commercially available and practical. The establishment of such policy is one of the five criteria that the City of Newton needs to meet to earn a Green Community Badge. The Committees of the Board of Aldermen are currently discussing three of the criteria and the City of Newton has already established a "Stretch Code" ordinance. If the City earns the badge before the May 14, 2010 deadline, it will be eligible for up to \$1,000,000 in grant funds from the State. Becoming a Green Badge Community would provide the City with ongoing grant opportunities in the future. Ald. Crossley put forward for comment the attached draft resolution to be provided to the State, when the Board of Aldermen has acted on the Green Community Badge.

The adoption of a fuel-efficient vehicle policy would not require the City to purchase hybrid vehicles but vehicles that have a fuel usage of at least 29 miles per gallon. Ron Mahan, Public Works Superintendent of Equipment, understands the dynamics of purchasing municipal vehicles at the best price. He also understands the impacts of establishing a policy for fuel-efficient vehicles. The City purchases its fleet of vehicles at auction and generally pays approximately \$10,000 per vehicle. Currently, fuel-efficient vehicles sell at auction for \$15,000 but more and more fuel-efficient vehicles are becoming available, which will drop the price making them more competitive with other vehicles. The purchase of hybrid vehicles is not feasible due to the unknowns associated with the vehicle batteries. It has been suggested that the battery life on a hybrid model is between eight and ten years and costs between \$8,000 and 10,000 to replace.

Mr. Rooney stated that the fuel-efficient vehicle policy would be encompassed in a larger vehicle policy that is being developed by the Executive Department. Mr. Rooney informed the Committee that the Mayor is looking at creating a car pool plan for City employees in an effort to reduce the number of vehicles.

Ald. Freedman was concerned that the City would not realize any savings by purchasing fuel-efficient vehicles, as the Ford Focus, which the City currently purchases, gets approximately 28 miles per gallon and costs around \$10,000. The additional cost of purchasing fuel-efficient vehicles will eat up any saving related fuel costs. Ald. Crossley pointed out that it is likely that the miles per gallon will increase in all vehicle models, as the cost of fuel is not going down and people will buy more efficient vehicles.

Ald. Salvucci moved approval of the item, which carried by a vote of seven in favor and one abstention. Ald. Freedman abstained in order to review the financial impact of adopting the policy.

Draft Board Orders for each of the items with an action are attached. The Committee held all other items without discussion and adjourned at approximately 10:15 PM.

Respectfully Submitted,

Leonard J. Gentile, Chairman

City of Newton



Setti D. Warren
Mayor

DEPARTMENT OF PUBLIC WORKS

OFFICE OF THE COMMISSIONER

1000 Commonwealth Avenue

Newton Centre, MA 02459-1449

10 APR 16 AM 10:15
CITY CLERK
NEWTON, MA 02159

To: Board of Alderman

Thru: Honorable Mayor Setti Warren
Robert R. Rooney / Chief Operating Officer

From: Thomas E. Daley, P.E. / Commissioner of Public Works

Subject: Engineering Design Consultant Services in Newton

Date: 4/15/10

It is my understanding that during the 4/12/10 Finance Committee's discussion of adjusting funds between our current sewer projects, that Alderman Linsky inquired about our policies regarding the hiring of engineering consultants for D.P.W. or horizontal construction projects.

As an initial discussion point, engineering design consultant services for the design of horizontal construction projects (ie., pipelines, roads, site design, etc.) are exempt from Massachusetts public bidding laws Chapter 30B. In other words, by law we can hire whoever we want. For the most part, a great deal of these designs are typically handled by our Engineering Division. Please note that consultant services for the design of "vertical" construction projects (buildings and such) are subject to Chapter 7, designer selection review. These designs are typically handled by the Public Buildings Department.

In the consulting industry, over the past couple of decades there has been significant debate and discussion about how to properly procure public works engineering consultants. The consulting industry does not want nor recommend using a low bid process for engineering. If any process is to be used it is to be similar to designer selection review, where an RFP or Request for Proposal is advertised and statements of qualifications and prices in sealed envelopes are submitted for review by a committee. The designer is selected from a "quality based" standpoint first and then the prices are opened and reviewed. It is more complicated than this, but this serves as an overview. The professional industry and government agencies do not want a "low bid" consultant designing our infrastructure. We want to get the most "bang for our buck" and the best quality we can.

It is our policy to select engineering design consultant services for the design of horizontal construction projects based on qualifications and costs, choosing the best capable consulting firm with the optimal cost. Most firms specialize in a particular discipline (Weston & Sampson in water and sewer, Gale Associates in athletic fields, and such). There is significant advantage for using the same engineering firm for a particular discipline, since they get to know our infrastructure, and take "ownership" in its improvements. Most other communities in Massachusetts have similar policies.

When a project comes around of a special or new nature, we do go through an RFP process, solicit qualifications and proposals from firms, and choose the best firms based upon their submittals. A designer selection committee is formed to rate and select the firms. More recently, this was done for the design of the Newton South High School fields, the design of reservoir security site work, the evaluation and recommendations for stormwater rate revisions, and soon will be done for the design of removal of sediment from the City Hall Ponds, and for roadway improvements to Commonwealth Ave from the Weston town line to Washington St.

Our projects tend to be repetitive year after year, so we know who the best capable consulting firms are with the optimal costs, based on the particular projects to be designed. Based upon our knowledge of RFP's that we do advertise, firms' manhour costs tend to be very similar and competitive, since they do compete with each other for employees, design work, and have similar overhead costs (an office somewhere in the greater Boston area).

A sample of the consultants used by our Engineering Division is as follows:

Weston & Sampson Engineers

Sewer, underdrains, infiltration/inflow, sewer/underdrain/drainage maps. Water Meters. Water system hydraulic model, water main designs, water facilities security. Landscape Architecture. Retaining wall evaluations.

Woodard & Curran Engineers

Drainage designs, technical review of special permits for drainage/stormwater issues, peer reviews.

Tata & Howard Engineers

Water tank inspections, water tank rehabilitation design, water tank security. Water system hydraulic model. Water system capital efficiency plans.

CDM Engineers

Sediment sampling for 3 ponds.
Stormwater utility rates.
Rumford Ave environmental monitoring (performed the closure design and permitting).
CDM did some sewer design in the 1990's.

SEA Consultants

Drainage and sewer analysis in Old Farm Road area.
TIP Roadway Projects.
SEA did first water system hydraulic model and master plan study in 1990s.

FST Consultants

Culvert inspections, 170 Sumner Street retaining wall
FST did the water reservoir rehabilitation design in 2001.

GZA GeoEnvironmental, Inc.

Crystal Lake retaining wall evaluation.

The Geotechnical Group (TGG)

Drainage pipe settlement analysis (with Woodard & Curran).

Gale Associates, Inc.

Newton South HS Athletic fields analysis and design, drainage design.

Geller DeVellis, then Stantec, now DeVellis/Zren

Playground design at Bowen School, civil site design.

Greenman-Pedersen, Inc. (GPI)

Commonwealth Ave Phase 3 TIP, College Road roadway design

Earth Tech

Initial Walnut Street TIP project.

McMahon Associates

Needham Street TIP. Peer reviews.

Traffic Solutions, LLC

Traffic studies, traffic signal design, Herrick Road mitigation studies.

VHB Associates

Pavement Management Program, traffic studies, traffic signal design.

Howard/Stein-Hudson

Traffic studies, traffic signal design.

Horsley & Whitten

Stormwater management best practices design.

HDR, Inc.

Walnut Street TIP 25% design.

I hope this information is helpful. Please contact me if you have any questions.

cc: Dave Turocy
Lou Taverna

VET HSE OPERATING BUDGET		2009 Basis		2010	2011	2012	2013	2014	2015	2016
Annual increase: income				3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Annual increase: costs				5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
INCOME:	MONTHLY	ANNUAL								
1-2 bedroom	\$ 1,479.00	\$ 17,748								
3 bedroom	\$ 1,769.00	\$ 21,228								
Vacancy (5%)		\$ 38,976								
		\$ 1,949								
ANNUAL RENTAL INCOME			\$37,027	\$38,138	\$39,282	\$40,461	\$41,674	\$42,925	\$44,212	\$45,539
EXPENSES										
Administrative										
Management Fee @ 5% of income		\$ 1,800								
CAN/DO Administration		\$ 1,200								
TOTAL ADMINISTRATIVE			\$ 3,000	\$ 3,150	\$ 3,308	\$ 3,473	\$ 3,647	\$ 3,829	\$ 4,020	\$ 4,221
Maintenance:										
Janitorial Supplies		\$ 500								
Landscaping/Snow Removal		\$ 2,000								
Decorating/Repairs		\$ 2,000								
TOTAL MAINTENANCE			\$ 4,500	\$ 4,725	\$ 4,961	\$ 5,209	\$ 5,470	\$ 5,743	\$ 6,030	\$ 6,332
Utilities:										
Common area electric		\$ 250								
Water/Sewer		\$ 1,950								
TOTAL UTILITIES			\$ 2,200	\$ 2,310	\$ 2,426	\$ 2,547	\$ 2,674	\$ 2,808	\$ 2,948	\$ 3,096
Insurance		\$ 2,800								
Taxes		\$ 7,068								
Operating reserve		\$ 1,500								
TOTAL RESERVES/INSURANCE/TAXES			\$11,368	\$11,936	\$12,533	\$13,160	\$13,818	\$14,509	\$15,234	\$15,996
TOTAL OPERATING COSTS			\$21,068	\$22,121	\$23,227	\$24,389	\$25,608	\$26,889	\$28,233	\$29,645
NET OPERATING INCOME			\$15,959	\$16,017	\$16,055	\$16,072	\$16,066	\$16,036	\$15,979	\$15,894
Debt Service (P & I)	Monthly	Annual								
175,000@.06	\$ 1,137	\$ 13,644	\$13,644	\$13,644	\$13,644	\$13,644	\$13,644	\$13,644	\$13,644	\$13,644
DEBT SERVICE			\$13,644	\$13,644	\$13,644	\$13,644	\$13,644	\$13,644	\$13,644	\$13,644
NET CASH FLOW			\$ 2,315	\$ 2,373	\$ 2,411	\$ 2,428	\$ 2,422	\$ 2,392	\$ 2,335	\$ 2,250
DEBT SERVICE COVERAGE RATIO			1.17	1.17	1.18	1.18	1.18	1.18	1.17	1.16

22-Sep-09

VET HSE OPERATING BUDGET		2017	2018	2019	2020
Annual increase: income		3.0%	3.0%	3.0%	3.0%
Annual increase: costs		5.0%	5.0%	5.0%	5.0%
INCOME:	MONTHLY				
1-2 bedroom	\$ 1,479.00				
3 bedroom	\$ 1,769.00				
Vacancy (5%)					
ANNUAL RENTAL INCOME		\$ 46,905	\$ 48,312	\$ 49,761	\$ 51,254
EXPENSES					
Administrative					
Management Fee @ 5% of income					
CAN-DO Administration					
TOTAL ADMINISTRATIVE		\$ 4,432	\$ 4,654	\$ 4,887	\$ 5,131
Maintenance:					
Janitorial Supplies					
Landscaping/Snow Removal					
Decorating/Repairs					
TOTAL MAINTENANCE		\$ 6,649	\$ 6,981	\$ 7,330	\$ 7,697
Utilities:					
Common area electric					
Water/Sewer					
TOTAL UTILITIES		\$ 3,250	\$ 3,413	\$ 3,584	\$ 3,763
Insurance					
Taxes					
Operating reserve					
TOTAL RESERVES/INSURANCE/TAXES		\$ 16,796	\$ 17,635	\$ 18,517	\$ 19,443
TOTAL OPERATING COSTS		\$ 31,127	\$ 32,683	\$ 34,318	\$ 36,033
NET OPERATING INCOME		\$ 15,778	\$ 15,629	\$ 15,444	\$ 15,221
Debt Service (P & I)	Monthly				
175,000@.06	\$ 1,137	\$ 13,644	\$ 13,644	\$ 13,644	\$ 13,644
DEBT SERVICE		\$ 13,644	\$ 13,644	\$ 13,644	\$ 13,644
NET CASH FLOW		\$ 2,134	\$ 1,985	\$ 1,800	\$ 1,577
DEBT SERVICE COVERAGE RATIO		1.16	1.15	1.13	1.12

22-Sep-09

COMMONWEALTH - OPERATING BUDGET

INCOME:		MONTHLY		
1 - 2 Bedroom	\$ 1,479	12	\$ 17,748	
1 - 3 Bedroom	\$ 1,769	12	\$ 21,228	
TOTAL			\$ 38,976	
VACANCY	5%		\$ 1,949	
ANNUAL RENTAL INCOME				
TOTAL INCOME				\$ 37,027
EXPENSES				
Administrative				
Management Fee @ 5% of annual income			\$ 1,800	
CAN-DO Administration			\$ 1,200	
TOTAL ADMINISTRATIVE				\$ 3,000
Maintenance:				
Janitorial Supplies			\$ 500	
Landscaping/Snow Removal			\$ 2,000	
Decorating/Repairs			\$ 2,000	
TOTAL MAINTENANCE				\$ 4,500
Utilities:				
Common area electric			\$ 250	
Water/Sewer			\$ 1,950	
TOTAL UTILITIES				\$ 2,200
Insurance			\$ 2,800	
Taxes			\$ 7,068	
Operating Reserve			\$ 1,500	
TOTAL RESERVES/INSURANCE/TAXES				\$ 11,368
TOTAL OPERATING COSTS				\$ 21,068
NET OPERATING INCOME				\$ 15,959
Debt Service:				
Bank	\$ 175,000	25 yrs @ 6%	\$ 1,137	\$13,644
TOTAL OPERATING & DEBT SERVICE				\$ 34,712
NET CASH FLOW				\$ 2,315

DEBT SERVICE COVERAGE RATIO

0.169686

1.17

9/25/2009

Michael Lepie
P.O. Box 157
Waban, MA 02468
617-795-0404
BIKERML@aol.com

4/10/10

Docket # 28-10

Board of Alderman
Finance committee

Re: Citizen for Affordable Housing [Can- Do]
VETERANS HOUSE
2148-2150 Commonwealth Avenue
NEWTON, MA

Members,

Is this a Suitable location ?
Mr. Herr [10/5/09] enclosed.

Is Can-Do a financially stable corporation ?

Please look out for tax payers' money, invest it wisely.

Thank You,



Michael Lepie
Citizen and Tax Payer

Philip B. Herr

(Home) 20 MARLBORO STREET, NEWTON, MA 02458 617-969-5367 PPHERR@men.com
(Office) 447 CENTRE STREET, NEWTON, MA 02458 617-969-1805 Fax 617-332-9499

MEMORANDUM

To: Newton Housing Partnership and staff
From: Phil Herr
Date: October 5, 2009
Re: Materials for Housing Partnership Development Reviews

The Partnership's Statement of Mission and Organizational Structure under J. Responsibilities items (A) through (D) indicates the matters regarding which the Partnership is to make findings in the review of proposed developments.

"In performing proposal reviews, the Partnership shall consider and make findings with regard to the consistency of the proposal with existing plans and policies approved or adopted by any City organization, such as but not limited to those cited at "• Multi-year housing plans" above, together with consideration of possibly changed conditions subsequent to completion of those plans. For development proposals, the Partnership shall also consider and make findings with regard to the following.

- "(A) Suitability of the location for prospective occupants of the affordable units.
- "(B) Degree to which the number of affordable units, their distribution by size, or the levels of affordability proposed, are reasonable, considering consistency with City plans, location, and the ability of the development to support affordability requirements in light of relief or demands being made by the City and others.
- "(C) Suitability of the site plan for serving occupants of the affordable units.
- "(D) Suitability of the dwelling types for occupancy by the anticipated residents of the affordable units."

CITY OF NEWTON, MASSACHUSETTS
 CAPITAL FINANCING PLAN
 PLAN TO ACTUAL ANALYSIS

	FY 2010		FY 2011		FY 2012	
	Plan {1}	Actual	Plan {1}	Projected	Plan {1}	Projected
North High School	8,270,025	8,270,626	9,116,071	9,060,795	9,775,515	9,618,545
South fields	323,100	323,100	309,200	309,200	304,900	304,900
Modular Classrooms	-	-	157,733	149,333	153,440	147,200
Fire stations	428,888	428,889	791,522	820,645	905,623	766,925
Other Capital	5,128,214	5,205,581	5,503,744	5,844,216	5,207,125	5,437,771
Total debt service	14,150,227	14,228,196	15,878,270	16,184,189	16,346,603	16,275,341
Debt service from Capital reserve {2}	5,117,624	5,079,989	5,860,667	5,860,667	5,281,998	5,281,998
"General Fund debt service"	9,032,603	9,148,207	10,017,603	10,323,522	11,064,603	10,993,343
Total Debt service financing	14,150,227	14,228,196	15,878,270	16,184,189	16,346,601	16,275,341
Contributions to Capital reserve	4,125,658	229,100	66,539	66,539	66,320	66,320
Year end Capital reserve balance	21,142,794	15,704,974	15,368,666	9,910,846	10,172,988	4,695,168
Annual bond sales:						
North High School	26,678,000	11,650,000	-	10,000,000	-	-
Fire stations	3,951,400	4,538,000	4,538,400	-	3,700,000	3,700,000
Other capital	4,506,000	6,050,000	3,050,000	3,500,000	3,500,000	3,500,000
Trash collection containers	1,853,000	1,910,000	-	-	-	-
Modular classrooms	1,400,000	1,400,000	-	-	-	-
Total bond sales	38,388,400	25,548,000	7,588,400	13,500,000	7,200,000	7,200,000

{1} 10/05/2009 Mayor's Office report
 {2} FY 2010 actual includes \$4,060,285

in MSBA reimbursements applied directly
 to General Fund instead of being transferred back from CSF