

CITY OF NEWTON
IN BOARD OF ALDERMEN
FINANCE COMMITTEE REPORT

TUESDAY, SEPTEMBER 7, 2010

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

Committee on Community Preservation members present: Ald. Yates (Acting Chairman), Ciccone, Hess-Mahan, Fuller, Lappin

Committee on Community Preservation members absent: Ald. Albright, Harney, and Blazar

Also present: Ald. Lennon

City staff present: Maureen Lemieux (Chief Financial Officer), Dolores Hamilton (Director of Human Resources), Matthew Cummings (Chief of Police), David Wilkinson (Comptroller), Donnalyn Khan (City Solicitor), Alice Ingerson (Community Preservation Planner), and Nancy Grissom (Chair of the Community Preservation Committee)

#227-10 HIS HONOR THE MAYOR requesting authorization to transfer the sum of one million three hundred seventy-eight thousand three hundred fifty-three dollars (\$1,378,353) from Wage Reserve and ninety-five thousand dollars (\$95,000) from FY'11 Budget Reserve to the FY11 Police Department Personnel Budget to meet the retroactive obligation of the City of Newton under the Joint Labor Management Committee's settlement decision regarding the Newton Patrol Officers. [08/02/10 @ 5:00 PM]

ACTION: **APPROVED 8-0**

NOTE: The Mayor is requesting a transfer of funds from Wage Reserve and Budget Reserve to the Police Department's budget in order to fund the retroactive pay increases that are part of the Labor Management Committee's settlement decision regarding the patrol officers. The retroactive pay covers Fiscal Year 2007 through Fiscal Year 2009. The settlement decision is in line with other union settlements. The settlement decision and a breakdown of the settlement award were provide as part of the agenda and are available on the City's website.

The City had put aside \$1,378, 353 in Wage Reserve in anticipation of the settlement decisions. However, there is a need for an additional \$95,000 from Budget Reserve, which the Mayor intends to replenish once free cash is certified. There are funds available within the Police Department personnel accounts to cover the pay increases in the FY'11 budget; therefore, no other funds will be required for the settlement.

There was a question of what would happen if the Board of Aldermen did not approve the transfer. The City Solicitor explained that if the transfer was not approved the City and union

would try to reach a settlement and if that was not possible, return to arbitration. Ald. Ciccone moved approval, which carried unanimously.

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

#88-07(4) **COMMUNITY PRESERVATION COMMITTEE** recommending that the sum of four hundred fifty two thousand dollars (\$452,000) be appropriated from the fiscal 2001 general reserve of the Community Preservation Fund and expended under the direction and control of the Director of Planning and Development, to satisfy a court judgment adjusting the price paid in 2007 for 20 Rogers Street as an addition to public recreation land at Crystal Lake. [08/23/10 @ 3:21 PM]

ACTION: COMMITTEE ON COMMUNITY PRESERVATION APPROVED 5-0 FINANCE 6-0 (Linsky and Danberg not voting)

NOTE: The Finance Committee met jointly with the Committee on Community Preservation to discuss the item. City Solicitor Donnalyn Khan and Chair of the Community Preservation Committee Nancy Grissom presented the request to the Committees. The request is for \$452,000 to cover the costs associated with the court ordered adjustment to the value of 20 Rogers Street. The City acquired 20 Rogers Street through eminent domain in May of 2007 to be used for recreation land. Before the property was acquired, the City hired an independent appraiser to determine the fair market value of the property. The appraiser provided a valuation of \$2.3 million and a written report to support the valuation. The City of Newton paid the previous property owner the appraised value of the property.

The previous property owner sued the City of Newton in June of 2010 claiming that the fair market value of the property was actually between \$4 and \$5 million. However, the previous owner was required by the court to get an independent appraiser, who valued the property at \$2,720,000. The jury determined that the fair market value of the property was \$2,720,000 and awarded the previous owner \$420,000, which is the difference between the \$2.3 million the City paid and the fair market value as determined by the jury trial. The \$420,000 is accruing interest at a rate of \$4.49 a day, which is why the requested appropriation is for \$452,000. It is hoped that the appropriation will move through the approval process expeditiously to minimize the interest costs. Any appropriated funds that are remaining after the award is paid would be returned to the Community Preservation Fund. The City Solicitor does not recommend appealing the award, as there is the potential that the jury would determine that the fair market value is greater than the original \$2,720,000.

Community Preservation Planner Alice Ingerson provided the committees with the attached breakdown on the available funds in the Community Preservation Fund for Fiscal 2010 and Fiscal 2011. The appropriation for the \$420,000 is budgeted in Fiscal Year 2011 along with expenditures and funds for continuing projects leaving a remaining balance in the Community Preservation Fund of \$4,693,249. Ald. Freedman inquired if there had been any private donations to the Crystal Lake project, as pledged by private groups. Ms. Ingerson believes that the Friends of Crystal Lake are awaiting completion of the final plan to begin major fundraising. Ald. Freedman pointed out that the City has spent \$3,670,000 on property around Crystal Lake and that ½% has been contributed by private groups. Ald. Freedman is not willing to approve

any more funding for Crystal Lake without further contributions from private sources. Nancy Grissom stated that the Committee on Community Preservation would not be approving any more funds either for the same reason. There was a motion for approval in both Committees, which carried unanimously in both Committees.

Respectfully Submitted,

Leonard J. Gentile, Chairman

last updated 7 Set 2010 A Ingerson

City of Newton, Massachusetts COMMUNITY PRESERVATION FUND		Fiscal 2010	Fiscal 2011
AVAILABLE FUNDS		ACTUAL from year end CP-2	BUDGETED, state match not yet confirmed
REVENUE			
local CPA surcharge		\$2,288,624	\$2,353,480
state matching funds		\$763,914	\$681,605
additional local revenue			
fund balance (not budgeted, but available when calculated & forwarded from previous year, includes past-yr revenues in excess of budget, unspent funds returned, etc.)		\$4,543,176	\$3,531,193
interest		\$46,745	\$54,000
other		\$7,898	\$0
TOTAL REVENUE		\$7,650,357	\$6,620,278
EXPENDITURES			
PROGRAM ADMINISTRATION & DEBT SERVICE			
program administration		(\$100,845)	(\$146,418)
incl. Preservation Guidelines (Newton Historical Commission) - \$12,000			
debt service for Angino Farm (final payment in fiscal 2010)		(\$311,250)	\$0
debt service for Kessler Woods (final payment in fiscal 2014)		(\$569,500)	(\$555,750)
debt service for 20 Rogers St. (final payment in fiscal 2017)		(\$337,238)	(\$327,088)
TOTAL Program Administration & Debt Service		(\$1,318,833)	(\$1,029,206)
AVAILABLE FUNDS after program administration & debt service		\$6,331,525	\$5,591,073
NEW PROJECT APPROPRIATIONS by Board of Aldermen			
FISCAL 2011			
Angino Farm Barn (historic resources & recreation)		(\$568,000)	
Brigham House - Supplemental (historic resources)		(\$15,250)	
City Archives - Combined (historic resources)		(\$36,545)	
City Hall Historic Art (historic resources)		(\$5,200)	
192 Lexington Street (community housing)		(\$2,046,000)	
Museum Archives (supplemental design funds - historic resources)		(\$63,845)	
Veteran House (2148 Commonwealth Avenue - community housing)		(\$375,000)	
TOTAL New Appropriations		(\$3,109,840)	\$0
AVAILABLE FUNDS after new appropriations to date		\$3,221,685	\$5,591,073
CPC RECOMMENDATIONS PENDING with board of Aldermen			
20 Rogers Street - Supplemental			(\$452,000)
Museum Archives (remaining funds from 2008 recommendation held in Finance Committee)			(\$321,900)
TOTAL Recommendations Pending			(\$773,900)
AVAILABLE FUNDS if all pending recommendations were funded in full		\$2,447,785	\$4,817,173
PROPOSALS SUBMITTED to CPC			
Charles River Lower Falls Rail Bridge (deferred from fiscal 2009 - recreation)			(\$46,784)
City Archives - Survey			(\$46,640)
Museum Collections Storage (planning grant - historic resources, held at sponsor request)			(\$30,500)
TOTAL Proposals Pending			(\$123,924)
AVAILABLE FUNDS if all pending proposals were funded in full		\$2,447,785	\$4,693,249