

CITY OF NEWTON

IN BOARD OF ALDERMEN

FINANCE COMMITTEE REPORT

MONDAY, FEBRUARY 23, 2009

Present: Ald. Coletti, Salvucci, Gentile, Schnipper, Johnson, Parker and Freedman

Absent: Ald. Lennon

Also Present: Ald. Linsky

City Staff: Elizabeth Dromey (Director & Chair of Assessing), Sandy Pooler (Chief Admin. Officer) and Susan Burstein (Chief Budget Officer)

Re-appointment by His Honor the Mayor

#28-09 MICHAEL P. FLYNN, 23 Thelma Road, Dorchester, re-appointed to the Board of Assessors for a term expiring February 1, 2012. (60 days: 03-19-09) [01-06-09 @ 2:49 PM]

ACTION: **APPROVED 7-0**

NOTE: Elizabeth Dromey, Director & Chair of Assessing joined the Committee for discussion on this item. Michael Flynn was unable to attend this evening.

Ms. Dromey stated Mr. Flynn's term began on July 9, 2008 working for the City in the Assessing Department as a Commercial Assessor. He has twenty-five years experience working in Framingham, Plymouth and Boston.

Ms. Dromey provided Committee members with an Abatement Report dated February 23, 2009, attached to this report. Ms. Dromey indicated the Assessors Department have received the following abatements applications:

Real Estate Abatement Applications

FISCAL YEAR	COUNT	TOTAL ASS. VALUE	TAX
2009	354	\$879,321,400	\$13,066,240
2008	478	\$729,578,200	\$10,084,901

CHANGE OF 124 LESS APPLICATIONS IN 2009

Personal Property Abatement Applications

FISCAL YEAR	COUNT	TOTAL ASS. VALUE	TAX
2009	39	\$76,599,300	\$1,455,387
2008	27	\$19,426,000	\$ 358,604

CHANGE OF 12 LESS APPLICATIONS IN 2008

Ms. Dromey explained to the Committee that the Real Estate Class in FY 2009 was 354 with less residential properties and commercial properties than FY 2008. In FY 2008, it was 478 with less apartments.

Ald. Gentile made the motion to approve Mr. Flynn's re-appointment. Mr. Flynn met with Finance Committee members on November 12, 2008 and the Committee voted in favor by a vote of 7-0.

REFERRED TO PUBLIC SAFETY & TRANS. AND FINANCE COMMITTEES

#57-09 ALD. LINSKY AND DANBERG requesting an amendment to Chapter 19, §19-9, **Penalty for parking violations**, to impose a fine of \$100.00 per violation for vehicles parked in bus stops in accordance with Chapter 465 of the Acts of 2008 as of April 7, 2009. [02-10-09 @7:07 PM]

**PUBLIC SAFETY & TRANSPORTATION APPROVED AS AMENDED
5-0 on 02-18-09**

ACTION: HELD 7-0

NOTE: Ald. Linsky joined the Committee for discussion on this item.

Ald. Linsky indicated that members of the Public Safety & Transportation Committee were unclear if the new State law only covered MBTA stops or any other designated bus stop. Mr. Schuckel was under the impression that this change in law was specifically for MBTA bus stops and that the vehicles could be issued fines by both the MBTA officers and municipal officers. Marie Lawlor, Assistant City Solicitor was under the impression that all bus stops and not just MBTA stops would be included in the new State law. State law now mandates the City can charge up to \$25.00 for each violation. The City is currently fining vehicles \$15.00. Ald. Linsky stated approximately 90% of bus stops in the City are MBTA stops.

On February 18, 2009, Public Safety & Transportation Committee approved this item as amended and created a new item to clarify if the new State law applies to all bus stops.

Finance Committee members were informed when a vehicle is issued a fine by the City the money remains in the City. If a vehicle is issued a fine by the MBTA officers, the money is split between the MBTA and the City.

Finance Committee members expressed the following concerns:

- Bus stops are not well marked
- \$100.00 fine is high
- No indication of fines stated on bus stop signs
- Who is responsible for installing bus stop signs
- If the fee were to raise, it should be stated on bus stop sign
- What is the length of a bus stop

Ald. Linsky made the recommendation to Finance Committee members to hold this item pending additional information and clarification from Ms. Lawlor to make the determination if the existing language shall say up to \$100.00 fine, is it required to increase the violation to \$100.00 and if the new State law applies to all bus stops or only MBTA stops.

Ald. Gentile made the motion to hold this item pending additional information from the Law Department and the Committee voted in favor by a vote of 7-0.

REFERRED TO PUBLIC SAFETY & TRANS. AND FINANCE COMMITTEES

#250-01(6) HIS HONOR THE MAYOR requesting authorization to appropriate and expend fifteen thousand four hundred seventy-two dollars (\$15,472) from Receipts Reserve for the purpose of installing a pedestrian activated signal near the end of Langley Road. These funds result from a special permit (Board Order #250-01) and will revert to the petitioner if not encumbered or spent by March 16, 2009. [02-10-09 @ 4:41 PM]

PUBLIC SAFETY & TRANSPORTATION APPROVED AS AMENDED 5-0 to \$15,471.85 on 02-18-09

ACTION: APPROVED AS AMENDED 3-1-2 (Ald. Johnson opposed; Ald. Schnipper and Freedman abstaining, Parker not voting) to \$15,471.85 on 02-23-09, Subject to 2nd call on March 3, 2009

NOTE: Ald. Linsky once again joined the Committee for discussion on this item.

Ald. Linsky informed Committee members David Wilkinson, Comptroller asked to amend this item to \$15,471.85; draft board order is attached to this report. Ald. Linsky stated these funds would revert to the petitioner if not encumbered or spent by March 16, 2009.

Suggestions were made to the Public Safety & Transportation Committee on February 18, 2009 suggesting to use the funds for one or both of the following locations, the installation of a pedestrian-activated signal to be located near the end of Langley Road or for pedestrian safety improvements in the Langley Road corridor.

Public Safety & Transportation Committee did not approve the pedestrian-activated signal due to the fact there were not enough funds. The amount of monies needed to install a pedestrian-activated signal would exceed \$15,471.85 by another \$5,000. The Public Safety & Transportation Committee created and drafted new alternative language indicating perhaps installing certain pedestrian access improvements in the Langley Road corridor such as sidewalk and crossing enhancements, pending the Law Department's approval for the appropriateness of the language.

Ald. Parker made the motion to approve this item as amended to \$15,471.85, subject to second call pending the appropriate language be delivered to the Public Safety & Transportation Committee from the Law Department.

#54-09 HIS HONOR THE MAYOR requesting authorization to appropriate and expend ten thousand five hundred dollars (\$10,500) from Budget Reserve to the Information Technology Department for the purpose of purchasing a software upgrade to the Pentamation software. [02-10-09 @4:42 PM]

ACTION: APPROVED 5-0 (Ald. Johnson and Parker not voting)

NOTE: Susan Burstein, Chief Budget Officer joined the Committee for discussion on this item.

Ms. Burstein stated the Information Technology Department is requesting these funds to

purchase upgrade software equipment allowing for batch transfers be made from MUNIS to Pentamation. This finance software upgrade will be used for general ledger, budget creation, accounts payable processing, purchasing, payroll and benefits allowing valuable enhancements that will improve the accuracy and productivity in the Treasury Department. This upgrade will enable the City to stay current with software enhancements and provide the functionality to import data batches from the City's other financial package, MUNIS which will eliminate the need for manual data entry of journal entries from accounts receivable to the general ledger.

Ald. Coletti made the motion to approve this item and the Committee voted in favor by a vote of 5-0.

#55-09 HIS HONOR THE MAYOR requesting a transfer of forty-five thousand dollars (\$45,000) from the Retirement Board expenses to Budget Reserve. Retirement board released these funds following the completion of the office renovation. [02-10-09 @4:42 PM]

ACTION: **APPROVED 4-0 (Ald. Freedman, Johnson and Parker not voting)**

NOTE: On January 21, 2009 the Retirement Board authorized the release of the remaining \$45,000 in funds originally budgeted for office lease purposes in the Newton Retirement System's FY09 budget to the City, following the completion of the Retirement office renovation project at City Hall.

Ald. Salvucci made the motion to approve this item and the Committee voted in favor by a vote of 4-0.

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

#61-09 HIS HONOR THE MAYOR requesting authorization to appropriate and expend forty five thousand dollars (\$45,000) from Utilities Division's Water Surplus account for the purpose of reimbursing the Treasury Department's Treasury Expenses account for the consultant costs related to year-end reconciliation of water receivables. [02/10/09 @4:42 PM]

ACTION: **APPROVED 4-0 (Ald. Freedman, Johnson and Parker not voting)**

NOTE: Ald. Coletti informed Committee members this item was docketed to fund the salaries of work completed by the consultants in the Treasury Department relating to the deficiencies in the water sewer billing and the abatement process.

Ald. Coletti stated the Executive Department and the Finance Committee agreed that the Executive Department would replenish these funds in the payroll account from the Utilities Division surplus in order to reflect who shall pay for the completed consultants work.

Ald. Salvucci made the motion to approve this item and the Committee voted in favor by a vote of 4-0.

#352-08 ALD. COLETTI requesting discussion monthly reports from the Chief Budget Officer and Comptroller on the status of the Health Insurance Trust Fund. [09-30-08 @ 1:54 PM]

ACTION: **HELD 4-0 (Ald. Freedman, Johnson and Parker not voting)**

NOTE: Susan Burstein, Chief Budget Officer once again joined the Committee for discussion on this item.

Ms. Burstein updated Committee members on the status of the Tufts and Harvard funds through December 2008. Ms. Burstein stated the Tufts fund account continues to have a 3.5 million dollar surplus over what was recommended although the fund has depleted by approximately one million dollars since the beginning of 2009. The Harvard account has also depleted by approximately 1 million dollars since the beginning of 2009. Ms. Burstein indicated compared to the City's target, the City remains 2 million dollars behind.

In January and February 2009, the City has expended approximately \$850,000 to \$900,000 in weekly billings. In February, a Tuft payment for one week was paid \$850,000.

Ms. Burstein anticipates hearing from the health insurance providers and the City consultants to provide the City with their re-assessment through January 2009. Ms. Burstein does not anticipate their rates going down next year.

Ald. Coletti made the motion to hold this item to continue to track these funds and the Committee voted in favor by a vote of 4-0.

#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 5-0 (Ald. Parker and Johnson not voting)**

NOTE: Ald. Coletti stated the Committee hopes to receive a guideline allowing them to move into the budget process.

Ald. Coletti made the motion to hold this item and the Committee voted in favor by a vote of 5-0.

At approximately, 9:15 pm Ald. Salvucci moved for adjournment, which was approved 5-0.

Respectfully Submitted,

Paul E. Coletti, Chairman

28-09
2/23/2009

City of Newton
Assessment Administration

**Real Estate Abatement Applications
Comparison FY2009-FY2008**

<u>FY</u>	<u>Count</u>	<u>Total Assessed Value</u>	<u>Tax</u>
2009	354	\$879,321,400	\$13,066,240
2008	478	\$729,578,200	\$10,084,901
Change(abs)	-124	\$149,743,200	\$2,981,339
Change(%)	-25.94%	20.52%	29.56%

<u>FY2009</u> <u>Real Estate Class</u>	<u>Count</u>	<u>%Filed</u>	<u>FY2009 Median Assessment</u>
Residential	238	67.23%	\$749,300
Commercial	85	24.01%	\$1,750,600
Apartments	31	8.76%	\$3,510,400
Total	354		

**Personal Property Abatement Applications
Comparison FY2009-FY2008**

<u>FY</u>	<u>Count</u>	<u>Total Assessed Value</u>	<u>Tax</u>
2009	39	\$76,599,300	\$1,455,387
2008	27	\$19,426,000	\$358,604
Change(abs)	12	\$57,173,300	\$1,096,783
Change(%)	44.44%	294.31%	305.85%

<u>FY2008</u> <u>Real Estate Class</u>	<u>Count</u>	<u>%Filed</u>	<u>FY2008 Median Assessment</u>
Residential	375	78.45%	\$765,900
Commercial	86	17.99%	\$873,150
Apartments	17	3.56%	\$1,659,800
Total	478		

09 FEB 26 AM 11:00
CITY CLERK
NEWTON, MA. 02159