

CITY OF NEWTON

IN BOARD OF ALDERMEN

FINANCE COMMITTEE REPORT

MONDAY, MARCH 10, 2008

Present: Ald. Coletti (Chair), Gentile, Salvucci, Freedman, Lennon, Parker, Schnipper and Johnson.

Also Present: Ald. Baker and Danberg

City Staff: Mayor Cohen, Dave Wilkinson (Comptroller), Susan Burstein (Chief Budget Officer), Daniel Funk (City Solicitor), Fred Guzzi (Administrative Director), Nick Parnell (Commissioner), Dave Turocy (Deputy Commissioner), Tom Daley (Commissioner), Ron Mahan (Superintendent of Equipment Maintenance), Carol Stapleton (Manager) and Alice Ingerson (Community Preservation Program Manager).

REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES

#382-07 BOARD OF LICENSE COMMISSIONERS requesting that Sec.17-11(2) of the Revised Ordinances be amended to increase the fee for Common Victualler License from \$50 to \$100, effective January 1, 2008. [11-06-07 @ 11:17 A.M.]

PROG. & SERV. APPROVED 6-0 ON 1/9/08

ACTION: Approved 8-0

NOTE: Fred Guzzi and Martina Jackson were present to request that the Newton ordinances Sec.17-11(2) specifically Common Victualler License fee in the city of Newton be increased from \$50.00 to \$100.00 beginning immediately upon any establishment that is seeking a Common Victualler license in the city.

According to Fred Guzzi there are about two thousand Common Victualler licenses from sandwich shops to supermarkets to golf course dining areas. These licenses are renewable on an annual basis. Attached to the Finance Committee Agenda was a list of other communities and the various charges for Common Victualler licenses in these cities and towns. The Committee had some concern because there were two communities that had over a \$100.00 charge and we were told that the state law had a limit of \$100.00. In passing, the item there was a request that Fred Guzzi check into the other communities and find out on how they were able to exceed the \$100.00 cap.

A Draft ordinance from March 17, 2008 is attached.

#83-08 HIS HONOR THE MAYOR requesting that the sum of \$8,800 be transferred within the Comptroller Department FY08 operating budget in order to provide funding for an extraordinary and unforeseen obligation related to federal grant auditing services that were necessary to complete the fiscal year 2007 audit:

FROM: Comptroller’s Offices Personal Svcs.
 (0110401-511001).....\$8,800
 TO: Comptroller’s Office Expenses
 (0110401-530201).....\$8,800

[02-12-08 @ 6:19 PM]

ACTION: Approved 8-0

NOTE: The sum of \$8,800 in order to fund some additional work associated with the audit function, which was completed by Sullivan, Rogers & Company, LLC this year. Unfortunately, there was a requirement that the city auditors who audited two additional federal grant programs in 2007 had a change order to be executed with the contract with the auditors and there was a single audit fee of \$4,400 for each of these additional grants.

There was as many as seven of these types of grants that will have to funded in the next audit and the committee briefly reviewed the fact that some of these federal programs are also programs where other communities participate. In the school department in three of them there are actual the grant recipient. It is the recommendation thru the Finance Committee, through the Chair that the home subsidy program and the special grant funds that are received by the school department reimburse the city through the audit requirements in order for them to receive those grants.

Finance Committee and Finance Audit Subcommittee proposed contract extensions with Sullivan, Rogers & Company, LLC. The Finance Committee voted to approve the transfer of funds to pay for these two additional audits.

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

#90-08 HIS HONOR THE MAYOR requesting an appropriation in the amount of \$675,000 from Free Cash in order to supplement funding in the snow and ice control accounts for the Public Works Department. Any funds unspent will not be transferred to other accounts. [02-12-08 @ 6:20 PM]

PUBLIC FACILITIES APPROVED 8-0 ON 2/20/08

ACTION: Approved 8-0

NOTE: Tom Daley and Dave Turocy were present this evening to present this docket item request. An assessment dated March 7, 2008 was attached to the report which was a summary given to the committee by Mr. Turocy.

The money in addition to the original appropriation of \$920,740.00 and \$1.2 million in supplemental requests has been spent in the Public Works Department. The Public Works Department submitted a spreadsheet, which shows amounts

expended, encumbered, and processed as of March 6, 2008 totaling \$2,929,65.00 this expense includes contract plowing for nine events. The Department of Public Works made the cost for all snow and ice activity and expenses including sand and salt.

According to Mr. Turocy, the cost of the snow removal for this year has exceeded the current appropriation by \$835,000.00 the additional \$675,000.00 request will be used against those expenses. There may be a request for an additional appropriation if there are any additional snow events before the end of the year.

Ald. Coletti asked Mr. Turocy that this year we did not have a significant inch total relative to the snow, which would justify what typically, is our average expenditure, which is \$3 million in the year when snow totals usually exceed seventy inches. Ald. Coletti requested that Mr. Turocy look at two to three previous years where the city spent \$3 million and attempt to compare the number of inches in snowfall that we had that year. Mr. Turocy stated the city has spent over \$1 million dollars this year in salt and sand. He believes there is an excessive need this year for funding salt and sand that is exacerbated by a 25% increase in the cost of salt. The committee had concerns that \$3 million dollars was an excessive amount to spend on snow and ice control.

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

#60-08 HIS HONOR THE MAYOR requesting an appropriation in the amount of \$600,000 from bonded indebtedness for the purpose of purchasing heavy equipment and heavy duty trucks for the Department of Public Works. [01-29-08 @ 6:12 PM]

PUBLIC FACILITIES APPROVED 8-0 ON 2/6/08

ACTION: **Approved 8-0**

NOTE: Dave Turocy and Tom Daley presented a list of six items they wish to purchase this year. One sweeper, one front-end loader, one paver, one trailer that will tow the paver and two large construction trucks. They assume that the cost of the new paver would be \$100,000.00 and they are only requesting \$50,000.00 from this appropriation. They will supplement \$50,000.00 more from Chapter 90 funding for road improvements when we receive the money from the state.

The Committee reviewed the life cycle of this equipment. The trucks actually are a 1983 vintage with over 200,000 miles and the sweeper is ten years old, which is typically the life cycle you get from a sweeper. Ron Mahan was also present and indicated the sweeper and front-end loader would be turned in, and the two large construction trucks would be surplus. The committee reviewed and had no further questions.

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

#36-08 HIS HONOR THE MAYOR requesting an appropriation in the amount of \$367,500 from Free Cash for the purpose of replacing two underground gasoline tanks at the Elliot Street DPW Yard. [01-15-08 @ 5:19 PM]

PUBLIC FACILITIES APPROVAL FAILED TO CARRY 3-3-2 (Lennon, Mansfield Salvucci opposed; Gentile and Yates abstaining) ON 03/05/08

PUBLIC FACILITIES APPROVED ABOVE GROUND TANKS 4-0-4 (Albright, Gentile, Schnipper and Yates abstaining) ON 03/05/08

ACTION: FINANCE COMMITTEE APPROVED TWO ABOVE GROUND TANKS (ONE GAS AND ONE BIO-DIESEL) 8-0 ON 3/10/08

NOTE: Nick Parnell and Ron Mahan were present. Together with Ald. Coletti and their experience on this item in a working subcommittee in both the Public Works Department and Building Department on how best to deal with the underground tank problem.

The current tanks are in excess of twenty years old. One tank has been compromised in the area between the double walls and is leaking. Although no liquid is getting in or out of the tank, the tank can no longer be used. The additional tank, which is a diesel tank, is fully functional but highly questionable as the use of it because the diesel tank is sitting in a very high water table and is susceptible to rot.

Due to the underground conditions at Elliot Street DPW Yard and also the appropriateness the Biodiesel tanks that are sweating underground it seems appropriate to purchase two new above tanks with a canopy cover and pump island. These tanks will be installed in an appropriate location above ground on the site. These tanks are readily available with a containment vessel that surrounds each tank with rain gear, which is a protective covering. The tanks are also painted in high quality epoxy at the factory extremely advantageous because they are visible. The above tanks are also easy to inspect because they have man heads that can be entered and cleaned. They are state of the art and obviously, the route we should choose.

One reason the above tanks were selected over in-ground tanks is that during this winter both tanks were compromised in water. Water leaked in and contaminated the fuel and department trucks could not use the fuel. To resolve this problem is to have an above ground system designed with the agreement made to approve this request this evening. Nick Parnell, Ron Mahan and Ald. Coletti will work out the appropriate design and placement of these tanks before bids go out.

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

#144-07(2) HIS HONOR THE MAYOR requesting a supplemental appropriation in the amount of \$111,805 from the capital stabilization fund to increase the original appropriation (Board Order #144-07, approved on 5/21/07) for replacement of **one** boiler at the Carr School building in order to cover the cost of **both** boilers at this location, since the City has received a favorable bid to combine the two replacements. [02-12-08 @ 6:20 PM]

PUBLIC FACILITIES APPROVED 8-0 ON 3/5/08

ACTION: **Approved 8-0**

NOTE: It is understood that the city has made its intention to reclaim the Carr School as use of an elementary school. In late 2008, the various arts groups will vacate this building then we will begin the process of renovating this building in order to put it on line as one of the cities largest elementary school.

These boilers are original, one was broken, and the other was at the end of his life cycle. Nick Parnell was able to get a contract in place to replace both of the boilers. The committee has agreed and the motion was made from Capital Stabilization Fund without further debate the committee voted in favor to purchase this additional boiler.

RECOMMITTED TO COMMTE ON COMM. PRES AND FINANCE ON 2/19/08:

REFERRED TO PROG. & SERV., CMTE. ON COMM. PRES. AND FINANCE

#360-07 COMMUNITY PRESERVATION COMMITTEE recommending that the sum of \$1,400,000 (and \$500,000) be appropriated, by issuance of ten-year bonds, from the Community Preservation Fund for purposes of acquiring title to 230 Lake Avenue by purchase, for public use as recreational land and open space. [10-26-07 @ 1:36 P.M.]

Programs & Services Approved 2-1-3 (Coletti opposed; Hess-Mahan, Merrill, Sangiolo abstaining) on 11/27/07

Committee on Community Preservation Approved 1-0-6 (Parker in favor; Lappin not voting) on 11/27/07

Finance motion to Approve Failed to Carry 2-4-2 (Coletti, Lennon, Salvucci, Gentile opposed; Johnson & Schnipper abstaining) on 1/14/08;

NOTE: \$500,000 has been added to this item per the Mayor and the Community Preservation Committee's recommendation

This item was amended with the addition of a \$500,000 appropriation.

APPROVED 3-2-2 (Ald. Parker, Hess-Mahan in favor; Ald. Linsky, Ciccone opposed; Ald. Vance, Yates abstaining)

ACTION: **APPROVAL FAILED TO CARRY 2-4-2 (Parker, Freedman approved; Coletti, Salvucci, Gentile and Lennon opposed; Johnson and Schnipper abstaining) ON 03/10/08**

NOTE: Representatives from the Community Preservation Committee and neighbors attended. The committee had a long discussion about the merits of acquiring

through the Community Preservation Committee Preservation funds the 230 Lake Avenue property and removing 8,000 sq ft. of lake frontage and permanently transferring that and some side land over to the control of the city. Reducing the size of the house lot to 15,000 sq. ft...

This would place a preservation restriction on the house and then put the house back on the market to sell, when the house sold the proceeds would be returned to the Community Preservation fund. During the time, the city was in control of this property there would be a caretaker living in the house in order to protect and reserve the property.

The understanding of the Executive Department is if the house could not be sold in a reasonable period, the house would be torn down and the property in total would be retained by the city. This component of the item proposed a problem for the Finance Committee because this is not an appropriate expenditure of funds due to the bathhouse and the newly acquired 20 Rogers Street site. This is as far as the Finance Committee is prepared to go in preserving and enhancing the character of city owned property around Crystal Lake.

This item has potential of second call and be subject to a committee report on the floor of the board.

#84-08 HIS HONOR THE MAYOR requesting authorization to file an application with the Commonwealth of Massachusetts Municipal Finance Oversight Board (MFOB) to qualify under Chapter 44A of the General Laws any and all bonds or notes of the City authorized to pay costs related to the Newton North High School project. Such authorization would allow the City to sell bonds for Newton North High School for up to 30 years in duration. [02-12-08 @ 7:06 PM]

ACTION: **Approved 8-0**

NOTE: Finance Committee has been recommending this item to the Mayors office either through regular legislation, which has not been able to get through the House of Senate or through what our bond council advised us to approach the municipal finance oversight board. A letter dated 2-12-08 was submitted to the Finance Committee indicating that was the city's request at this time.

Under legislation, the Finance Committee must recommend to the Full Board and the Full Board must then recommend that the Mayor be allowed to approach this municipal finance oversight board in order to secure the thirty-year funding.

Dave Wilkinson and the committee checked with the bond council the fact that going to thirty year bonds on a building which has a useful life fifty years that there would be no a adverse effect on the city's AAA bond rating. This is critically important in order for the city to be able to finance the difference between the original \$149 million cost and the now estimated \$196 million cost for the Newton North High School.

REFERRED TO PROG&SERV, PUB FACILITIES & FINANCE COMMITTEES

#85-08 DANIEL PROSKAUER et al. filing on February 7, 2008 a group petition pursuant to Section 10-2 of the City Charter for a public hearing regarding the cost of construction of Newton North High School, specifically requesting the Board of Aldermen to establish a Guaranteed Maximum Price for the said project prior to the installation of foundations of the said school; and establish a maximum cost of construction of the said project that, in the opinion of the honorable Aldermen, the City can afford without sacrificing the repair and construction of other public buildings. *NB: Board action shall be taken not later than three months from the date the petition was filed.*

ACTION: **FINANCE COMMITTEE HELD 8-0 ON 3-12-08**

NOTE: The committee heard testimony from the public, decided to hold this item in committee.

#57-08 HIS HONOR THE MAYOR requesting to present the following levy limit override ballot question to the voters in accordance with the procedure prescribed by G.L. c. 59 §21C(g):

Shall the City of Newton be allowed to assess an additional \$23,900,000 in real estate and personal property taxes for the purpose of funding operating expenses for the Public Schools and the Municipal Government for the fiscal year beginning July 1, 2008. [01-29-08 @ 6:12 PM]

ACTION: **PROGRAMS & SERVICES DENIED 8-0**
FINANCE COMMITTEE DENIED 8-0 ON 3-12-08

NOTE: After discussion, it is understood that this item will be subject to second call, since there was no one on the Board of Aldermen to propose to support this extent of an override request. Request motion was made to deny this item.

REFERRED TO PROGRAMS AND SERVICES AND FINANCE COMMITTEES

#88-08 ALD. BRANDEL, SANGIOLO AND PARKER proposing that the following question be put before Newton voters in accordance with the procedure prescribed by G.L. c. 59 §21C(g):
“Shall the City of Newton be allowed to assess an additional Ten Million Dollars in real estate and property tax for the purpose of funding operational expenses?”
[02-12-08 @ 11:13 AM]

ACTION: **PROGRAMS & SERVICES APPROVED 6-1-1 AS AMENDED TO \$12 MILLION (Hess-Mahan opposed; Baker abstaining)**
FINANCE APPROVED 4-3-0 AS AMENDED TO \$12 MILLION (Gentile, Schnipper, Lennon opposed; Salvucci not voting)

NOTE: After discussion, the original proposal for \$10 million was subsequently amended to \$12 million during this discussion. It is expected that this item will be subject to second call and will continue to discuss with members of the Board looking to

substitute the action of Programs & Services that was a proposal for \$14.9 million.

REFERRED TO PROGRAMS AND SERVICES AND FINANCE COMMITTEES

#88-08(2) ALD. BRANDEL, SANGIOLO AND PARKER proposing that the following question be put before Newton voters:
“Shall the City of Newton be allowed to exempt from the provisions of Proposition 2 ½ the amounts required to pay for the bond issuance in order to fund certain capital projects?”
[02-12-08 @ 11:13 AM]

ACTION: **PROGRAMS & SERVICES APPROVED 4-2-2 AS AMENDED TO “FUND NEWTON NORTH HIGH SCHOOL” (Freedman, Parker, Sangiolo, Brandel in favor; Hess-Man, Baker opposed; Johnson, Merrill abstaining) FINANCE MOTION TO APPROVE FAILED TO CARRY 2-4-1 AS AMENDED TO “FUND NEWTON NORTH HIGH SCHOOL” (Freedman, Parker in favor; Gentile, Coletti, Lennon, Schnipper opposed; Johnson abstaining; Salvucci not voting)]**

NOTE: The committee had certain issues with this item because it would have a major impact especially if it was related to Newton North High School debt exclusion bonds on the success of the operation of override ballot question. Ald. Coletti assumes this item will also be placed on second call. The Chairman will be giving a formal report.

REFERRED TO PROGRAMS AND SERVICES AND FINANCE COMMITTEES

#58-08 HIS HONOR THE MAYOR requesting an appropriation in the amount of \$88,000 from Budget Reserve for the purpose of funding the costs of a special election to present the levy limit override ballot question to the voters. [01-29-08 @ 6:12]

ACTION: **PROGRAMS & SERVICES APPROVED 7-0 (Hess-Mahan not voting) FINANCE APPROVED 7-0 (Salvucci not voting)**

NOTE: The committee had no objection to this item and voted in favor.

REFERRED TO PROGRAMS AND SERVICES AND FINANCE COMMITTEES

#87-08 HIS HONOR THE MAYOR requesting an appropriation in the amount of \$158,344 from Free Cash in order to supplement funding in the snow and ice control accounts for the Parks and Recreation Department. Any funds unspent will not be transferred to other accounts. [02-12-08 @ 6:20 PM]

ACTION: **PROGRAMS & SERVICES APPROVED 7-0 AS AMENDED TO \$194,434 (Hess-Mahan not voting)**
FINANCE APPROVED 7-0 AS AMENDED TO \$194,434 (Salvucci not voting)

NOTE: The committee approved with no hesitation.

Meeting adjourned at approximately 10:20 pm

Respectfully Submitted,

Paul E. Coletti, Chairman