

CITY OF NEWTON

IN BOARD OF ALDERMEN

FINANCE COMMITTEE REPORT

MONDAY, NOVEMBER 10, 2008

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

Absent: Ald. Freedman

City Staff: Susan Burstein (Chief Budget Officer), Dave Wilkinson (Comptroller), Sandy Pooler (Chief Admin. Officer), Elizabeth Dromey (Director & Chair of Assessing) and Michael Flynn (Commercial Assessor of Assessing Department)

DISCUSSION WITH:

(#242-08) MICHAEL P. FLYNN, 23 Thelma Road, Dorchester, appointed to the Board of Assessors for a term expiring February 1, 2009. (60 days: 08-22-08) [6-23-08 @ 3:09 PM]

NOTE: Michael Flynn, Commercial Assessor and Elizabeth Dromey, Director and Chair of Assessing joined the Committee for a brief discussion on this item.

Mr. Flynn introduced himself to the Finance Committee members indicating his term began on July 9, 2008 working in the Assessing Department as a Commercial Assessor. Mr. Flynn indicated he has twenty-five years experience working as in Framingham, Plymouth and Boston.

Mr. Flynn indicated he has completed working on the values of commercial properties and building permits in the City of Newton. Mr. Flynn stated there are many new businesses and new personal properties this year that he will be assessing and is very busy working with telecommunications.

Ms. Dromey anticipates perhaps next year, the Assessing Department will be hiring outside assistance for expertise on some of the telecommunications.

Committee members welcomed Mr. Flynn to the City of Newton.

#350-08 ALD. COLETTI requesting discussion on status of \$5.2 million in additional School Building Authority reimbursements with focus on the classification hearing and setting of the tax rate. [09-30-08 @ 1:54 PM]

ACTION: NO ACTION NECESSARY 7-0

NOTE: Ald. Coletti indicated the amount of \$5.2 million was previously an estimate. Docket #356-08 was docketed for purposes to replace #350-08.

Ald. Coletti made the motion for No Action Necessary.

ITEM RECOMMENDED TO FINANCE COMMITTEE on 11-3-08

#356-08 HIS HONOR THE MAYOR requesting authorization to appropriate and expend four million nine hundred fourteen thousand seven hundred sixty-eight dollars (\$4,914,768) from General Revenue – MSBA Reimbursements to the Capital Stabilization Fund for a portion of the long-range capital plan. [09-30-08 @ 4:15 PM]

ACTION: **APPROVED AS AMENDED 7-0 TO \$4,414,768.**

NOTE: Letter dated, November 10, 2008 from Dave Wilkinson, Comptroller was distributed to Committee members asking them and the Board of Aldermen to formally request that the Commissioner of Revenue provide the City with an accounting of the actions of the Director of Accounts in regard to the issue at hand, including a legal citation for the Director to direct Newton to use these resources in a manner inconsistent with the written regulations of the Department of Revenue (attached to report).

At the November 12, 2008 Board of Alderman meeting a motion to suspend the rules to allow the Finance Committee to report without a written report was approved by voice vote. Finance Committee approved with amendment to decrease the amount to Capital Stabilization Fund to \$4,414,768 on November 10, 2008. On November 12, 2008, it was again approved at \$4,414,768 with a vote of 21 yeas and 3 absent (Ald. Ciccone, Fischman and Freedman).

Clerk's Note: Finance Committee will docket resolution #356-08(2) in requesting to receive an answer from the Commissioner of the Massachusetts Department of Revenue. This item will be discussed at the November 24, 2008 Finance Committee meeting.

#383-08 HIS HONOR THE MAYOR requesting an appropriation in the amount of five hundred thousand dollars (\$500,000) from General Revenue to Budget Reserve, as these funds have become available with the certification of new growth. [10-28-08 @ 3:47 PM]

ACTION: **APPROVED AS AMENDED 7-0 TO \$1000,000.**

NOTE: Letter dated November 12, 2008 from His Honor the Mayor was distributed to the Board of Aldermen on November 12, 2008 requesting an appropriation from general reserve five hundred thousand dollars (\$500,000) to budget reserve, by increasing the appropriation to one million dollars (\$1,000,000). The additional \$500,000 is from General Revenue – MSBA reimbursements (attached to report).

At the November 12, 2008 Board of Alderman meeting a motion to suspend the rules to allow the Finance Committee to report without a written report was approved by voice vote. Finance Committee approved with amendment to increase amount to budget reserve to \$1,000,000 on November 10, 2008. On November 12, 2008, it was again approved at \$1,000,000 with a vote of 21 yeas and 3 absent (Ald. Ciccone, Fischman and Freedman).

#354-08 ALD. COLETTI requesting monthly report on cash and receivable reconciliations by Treasurer and status of Consultant work in Treasurer's Office. [09-30-08 @ 1:54 PM]

ACTION: **HELD 7-0**

NOTE: Ald. Coletti informed members that members of the Finance Sub-Committee held this evening were updated by James Reardon (Acting Treasurer/Collector).

Ald. Coletti made the motion to hold, with another discussion to take place in December 2008.

RECOMMITTED TO FINANCE COMMITTEE on 10-20-08

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

#383-07 THE COMMUNITY PRESERVATION COMMITTEE recommending that the sum of \$498,500 be appropriated from the FY08 Community Preservation Fund's community housing and general reserves for development and associated legal costs of a community housing project proposed at 29 Coyne Road, Waban, by CAN-DO (Citizens for Affordable Housing in Newton Development Organization). [11-13-07 @ 5:09 PM]

NOTE: This item was amended to \$576,000 for a three-unit community housing project.

COMMITTEE ON COMMUNITY PRESERVATION APPROVED 3-1-2

(Ald. Yates opposed; Ciccone and Parker abstaining) on 5-27-08

IN FINANCE, A MOTION TO APPROVE FAILED TO CARRY 3-3-1 (Ald. Gentile, Salvucci, Parker opposed; Lennon abstaining) on 9-22-08

ACTION: NO ACTION NECESSARY 7-0

NOTE: Committee members received a letter dated October 23, 2008 from the Community Preservation Committee requesting this item is withdrawn.

Ald. Coletti made the motion for No Action Necessary.

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

#230-08 THE COMMUNITY PRESERVATION COMMITTEE recommending that the sum of \$6,000 (including \$750 for legal costs) be appropriated from the Community Preservation Fund's fiscal 2008 fund balance and fiscal 2009 historic resources or general reserves, to preserve the bronze doors and other bronze elements at the main entrance to the headquarters of the Newton Fire Department in Newton Centre, using the methods described in the Committee's recommendation to the Board dated June 2008. [6-8-08 @ 12:43 PM]

ACTION: NO ACTION NECESSARY 7-0

NOTE: Committee members received a letter dated October 23, 2008 from the Community Preservation Committee requesting this item is withdrawn.

Ald. Coletti made the motion for No Action Necessary.

- #360-07(3) COMMUNITY PRESERVATION COMMITTEE recommending that Board Order #360-07, adopted on March 17, 2008, and authorizing that the sum of \$950,000 be borrowed for the purchase of 230 Lake Avenue be rescinded; and that the sum of \$885,000, including \$10,000 for legal expenses be appropriated from the FY09 Community Preservation Fund's open space and general reserves for the purpose of acquiring the subdivision, access easement, and preservation restriction on the property at 230 Lake Avenue. [10-16-08 @ 12:59 PM]
- ACTION:** (A) **APPROVED TO RESCIND BOND 6-0-1 (Ald. Gentile abstaining)**
(B) **VOTE OF \$885,000 MOTION TO APPROVE FAILED TO CARRY 3-4-0 (Ald. Lennon, Salvucci Gentile and Johnson opposed)**

NOTE: Committee members received a letter dated November 7, 2008 from Alice Ingerson, Community Preservation Program Manager requesting to rescind Board Order #360-07 and requesting authorization that the sum of \$885,000 including \$10,000 for legal services be appropriated from FY09 Community Preservation Fund's open space and general reserves for the purpose of acquiring the subdivision, access easement, and preservation restriction on the property of 230 Lake Ave. (attached to report).

Ald. Coletti made the motion to rescind the Board Order, which the Committee voted in favor. Motion to Approve the vote of \$885,000 failed to carry.

- #351-08 ALD. COLETTI requesting discussion on the status of School Building Authority reimbursements to the City of \$46.6 million for the Newton North High School project. [09-30-08 @ 1:54 PM]
- ACTION:** **HELD 7-0**

NOTE: Sandy Pooler, Chief Admin. Officer joined the Committee for discussion on this item.

Mr. Pooler indicated to the Committee he will be meeting with the representatives from SBAB on December 2, 2008. Mr. Pooler is hopeful he will have an answer from the SBAB after this date on when the State will be reimbursing the City this \$46.6 million for the Newton North High School project.

Mr. Pooler will return to meet with Finance Committee members to provide an update in December 2008.

Ald. Coletti made the motion to hold this item.

- #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 7-0**

NOTE: Susan Burstein, Chief Budget Officer and Sandy Pooler, Chief Admin. Officer updated the Committee indicating that in October 2008 both funds have spent more than what has been received. Currently, the balances are approximately, where they were in October 2008.

Ms. Burstein's suggestion to the Committee is to continue to track these funds indicating the City is not currently in a position to make any rate changes. Ms. Burstein indicated when the City will be looking at next years rate they will know where the surplus is at that point. Ms. Burstein is concerned the City will not have the two-month cushion they would like to have.

Mr. Pooler indicated the City is still at the first stage of agreeing on a cost.

Ald. Coletti made the motion to hold requesting for Ms. Burstein and Mr. Pooler return to the Committee with an update for the Committee at the December 22, 2008 meeting.

#349-08 ALD. COLETTI requesting discussion on preparation and submission of a new Capital Improvement Plan by the Executive Office. [09-30-08 @ 1:54 PM]

ACTION: HELD 7-0

NOTE: Susan Burstein, Chief Budget Officer again joined the Committee.

Ald. Coletti asked Ms. Burstein to provide the Committee with a date to June 30, 2008 a supplemental budget including a prioritization list. The budget shall also include plans if the City will be purchasing Fire and Police Department vehicles.

Ald. Coletti made the motion to hold requesting Ms. Burstein return to the Committee with an update for the Committee at the December 22, 2008 meeting.

#348-08 ALD. COLETTI requesting discussion on the Executive Department submission of a new 5-year forecast for FY2010 budget preparation. [09-30-08 @ 1:54 PM]

ACTION: HELD 7-0

NOTE: Ald. Coletti assumes this item will be discussed in the future at a group meeting to discuss the school and municipal allocations and the three to five year budget plan.

Ald. Coletti made the motion to hold.

At approximately, 9:30 pm, Ald. Coletti moved for adjournment, which was approved 7-0.

Respectfully submitted,

Paul E. Coletti, Chairman