

CITY OF NEWTON

IN BOARD OF ALDERMEN

FINANCE COMMITTEE REPORT

MONDAY, MARCH 26, 2007

Present: Ald. Coletti (Chairman), Lennon, Linsky, Salvucci, Gentile, Parker, Schnipper and Lipof

Also present: Ald. Baker, Ald. Johnson, David Wilkinson (Comptroller), Sandy Pooler (Chief Administrative Officer), Susan Burstein (Chief Budget Officer), Nick Parnell (Public Buildings Commissioner), Ed Spellman (Treasurer/Collector) and Robert DeRubeis (Deputy Commissioner of Parks and Recreation)

**Chairman's Note:** The first three items are "first call" eligible items. The Comptroller prepared a memo to the Finance Committee dated March 26, 2007, indicating that he has reviewed the items and recommends approval (attached). The Committee reviewed the draft Board Orders, which are attached. The Committee felt that these items were appropriate "first call" items and a motion for approval was made, which carried unanimously.

#456-06(2) HIS HONOR THE MAYOR requesting an appropriation in the amount of \$1,500 from Free Cash for the purpose of purchasing a network card and software for the new photocopier recently purchased for the City Clerk/Clerk of the Board office.

[03-13-07 @ 7:04 PM]

**ACTION:** **APPROVED 7-0 (Parker not voting)**

#85-07 HIS HONOR THE MAYOR requesting appropriation of and authorization to expend the sum of \$90,087 (received as a premium on the sale of general obligation bonds in February of 2007) from Free Cash, in order to pay the costs associated with the February bond sale, with the remainder of the balance of these funds to be added to the debt reserve fund within the Capital Stabilization Fund for later appropriation.

[03-13-07 @ 7:05 PM]

**ACTION:** **APPROVED 7-0 (Parker not voting)**

**REFERRED TO PS&T AND FINANCE COMMITTEES**

#87-07 HIS HONOR THE MAYOR requesting an appropriation in the amount of \$43,800 from Budget Reserve for the purpose of supplementing the Fire Department FY07 fuel accounts.

[03-13-07 @ 7:04 PM]

**PS&T APPROVED 7-0 ON 3/21/07**

**ACTION:** **APPROVED 7-0 (Parker not voting)**

**REFERRED TO PROG.&SERV., PUB.FAC. AND FINANCE COMMITTEES**

#56-07 **HIS HONOR THE MAYOR** requesting an appropriation in the amount of \$131,883,000 for the purpose of paying costs of engineering, designing, constructing, originally equipping and furnishing a new NNHS, demolishing the old NNHS structure, and all other associated costs with these projects. The funding source is to be a combination of long-term debt, MSBA low-interest loans, and grant funds. [02-13-07 @ 5:29 PM]  
**PROGRAMS & SERVICES APPROVED 5-0 (Ald. Lipof not voting)**  
**ON 3/21/07**

**PUBLIC FACILITIES APPROVED 3-0-4 (Albright, Mansfield, Salvucci, Weisbuch abstaining)**

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

**NOTE:** The Committee had a significant amount of discussion on the item over the last two committee meetings. Attached to the agenda was an outline prepared by the Chairman and the Committee began discussing items 7 through 14 on the outline. The Mayor was present to discuss the specific items relating to the value-engineering aspects of the project and which items had been put back into the project. The entire brick veneer of the building has been reinstated into the design and the balcony in theater has been reinstated. Other items that were discussed relate to the reduction of the size of Main Street and the reintroduction of the high-efficiency, money saving HVAC system.

The Committee had some additional discussions with the Mayor regarding the proposed modification of the window designs of the building, the addition of supplemental basement space and the treatments that will be used on the flooring throughout the building. The discussion also included shaping of the roof on the gymnasium and the roof on the classroom buildings on the Hull Street side.

The Chairman is not going to go into a lengthy report on the discussions that took place on the bond authorization because it is his assumption that the item will be second called and there will be a substantial amount of discussion on the floor of the Board. The Committee, after a lengthy discussion that spanned two meetings on the bond authorization request, got down to the final review of the proposed Board Order. The Board Order was prepared by the city's bond counsel, Ropes and Grey. The Committee has wrestled with the mechanism by which the Board Order is prepared, the way the Board Order will be approved by the Board and the money from the bonds sold. There was some discussion in Committee about breaking out certain aspects of the Bond Authorization to reflect the reimbursements by the State's School Building Assistance Bureau and the low-interest loan. In the end, a determination was made that the broad language contained in the draft Board Order from Ropes and Grey was necessary. The city must provide the School Building Assistance Bureau with a Board Order for the full amount of the project to receive the low-interest loan and grant funds. The city, however, will only be bonding for \$79.9 million. The difference, which includes the School

Building Assistance Bureau grant and loan, will be automatically rescinded when the school reimbursement money comes in from the state.

In the event that the price comes in over \$141 million, then the Executive Department will be prepared to come in and review with the Board of Aldermen an additional request for appropriation to generate the funds needed to come up with the funds requested by Dimeo Construction in its final estimate of construction. With the approval, submission and acceptance of the bond authorization Board Order as submitted, a motion was made in Committee to approve the bond authorization of \$131,833 million. It is unclear at this time whether these bonds will be issued for the duration of 20 years or whether under the Governor's new proposal for local bonding authorities on projects the scope of the high school the total bond term will be extended to 30 years. People will be updated regarding the term of the bonds. The Board Order indicates that they will be issued for the longest term authorized under State law regarding the sale of municipal bond, which is a catchall. Therefore, the motion was approved by a vote of seven in favor and one abstention.

**REFERRED TO PROGRAMS AND SERVICES AND FINANCE COMMITTEES**

#74-07 HIS HONOR THE MAYOR requesting an appropriation in the amount of \$104,215 from Budget Reserve for the purpose of funding current and future snow and ice and tree emergency expenses in the Parks and Recreation Department. [02-27-07 @ 4:17 PM]

**PROGRAMS & SERVICES APPROVED AS AMENDED @ \$178,355 4-0 (Ald. Sangiolo and Baker not voting) ON 3/21/07**

**ACTION: APPROVED AS AMENDED @ \$178,355 7-0 (Parker not voting)**

**NOTE:** The Mayor submitted a letter dated March 20, 2007 requesting that the Board amend the item by adding \$74, 140 from free cash. The additional funds are needed to cover the storm of March 16, as it was larger and more damaging than anticipated. The Committee reviewed a letter and analysis from the Commissioner of Parks and Recreation to the Mayor dated March 19, 2007 on the expenditures related to snow and ice funding for the Parks and Recreation Department. The letter indicated that to date the City has spent over \$180,311 on equipment rental for snow emergencies and the city has spent over \$17,000 for tree emergencies. The amended amount will cover the March 16, 2007 storm and leave enough money for one 7" storm and some tree clean up before the end of the year. The original requested amount for snow removal for the fiscal year was \$104,215 for the purpose of the snow and ice removal expenses, tree emergency expenses and one additional storm. The funds will also return the tree emergency accounts to their original levels. The Department of Public Works does not require any additional funding for snow and ice removal. Therefore, the only additional funding of snow and ice for Parks and Recreation will be this one time appropriation.

Again, the Committee reviewed breakdowns of the itemized expenses for snow emergencies and forestry emergencies, which was prepared by Bob DeRubies that showed expenditures from July 1, 2006 up to March 19, 2007. The Committee was

satisfied with the backup information provided by the Parks and Recreation Department. A motion was made to approve the appropriation as amended at \$178,355. The motion carried with seven in favor and none opposed.

All other items were held. The Committee adjourned at approximately 9:00 p.m.

Respectfully Submitted,

Paul E. Coletti, Chairman